



# Pervasive Performance Group

Taking Performance Management Enterprise-wide & Enterprise-deep

## Challenging Economic Conditions Change BI Investment Strategies

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A White Paper from:

Pervasive Performance Group, LLC

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## Introduction

In a challenging economic environment, using data effectively has become nothing short of an economic imperative to controlling costs, efficient operations, and exploiting revenue opportunities. But many businesses seeking business insight and faster decision-making are feeling hamstrung by the time, cost or complexity of their enterprise Business Intelligence (BI) solutions. Whether building a new analytics platform or refining and updating an existing deployment, it is necessary to focus investments on cost-effectively meeting specific business analysis and reporting needs. Big-ticket BI investments are being deferred, and organizations must find alternative ways to meet expanding reporting and analytics requirements that are less expensive, quicker to deploy and take advantage of existing investments in analytics and reporting.

One such alternative is Report Analytics, which can combine disparate data in existing reports from multiple sources into dynamic analytic reports. Report Analytics allows end users to easily access, extract and incorporate information from documents already published inside or outside the enterprise, without significant investments in BI platforms or data warehouses. Report Analytics can circumvent the need for new or additional BI investments by taking advantage of existing reports (including those generated by BI applications) to meet the increasing thirst for business analytics.

## The Economic Implications of BI

In a still-fragile economy, in which every senior executive is being charged with squeezing costs out of operations, overspending on technology is a misstep that few organizations (or careers) can afford. Yet many CIOs and CFOs purchase BI platforms that may be overkill for their pressing business needs. Others, dissatisfied with the results of their existing BI platforms, throw good money after bad by expanding an already bloated solution in order to meet unfulfilled business needs. And some simply defer investment and force the business to “get by” with whatever analytics capability they currently have. None of these is a good choice in tough economic times. In some cases, additional investment in existing BI deployments may be the best option, but that’s not always the case.

CIOs and CFOs must be cognizant of the short- and longer-term costs of their decisions. The truth is that the cost impact of BI does not end when a solution has been installed; in fact, for the most part, it only begins there. Implementation times vary from weeks to years (15% of BI implementations are over one year in duration). Integration, data cleansing, and data mapping can be time consuming and expensive, and resulting data warehouses often don’t house all the data that business users require to see a complete picture. Data warehouses are particularly challenged when business requirements demand reporting and analytics on external or semi-structured data. In fact, according to a recent *CIO Insight* survey, 25% of CIOs stated that their most frustrating BI problem is their solution cannot easily access all the relevant company data. An incomplete view can lead to business user frustration and misinformed or under-informed decisions that can negatively impact revenue, cost, customer satisfaction and other business

drivers.

The combination of these factors and stories of past BI failures can make BI a difficult investment to justify in challenging economic times. Businesses are looking for lower-risk, quicker-time-to-value investments that can deliver measurable business value without significant business disruption. One of the most prevalent cost factors of BI solutions today involves who is using it — or rather, who is *not* using it. Many organizations encounter discouraging adoption rates; in fact, fewer than 30% of potential users of organizations' standard BI tools use the technology today, often because the tools are too difficult to use, slow to respond, or deliver content of limited relevance.\*

***“Total cost of ownership should be a key consideration, but only within the context of a solution that, first and foremost, meets requirements. A poorly matched solution at any price can never deliver business value.”***

— *“What’s the Real Price of Business Intelligence Software?”* Gartner, April 2010

Moreover, because most BI solutions are typically too complex for end users to implement or modify on their own, success becomes dependent on IT personnel, who are already overworked or must develop specialized technical skills. IT often does not have the budget to invest in additional staff or training, and business leaders can't afford to wait in the queue for IT resources or spend time educating IT staff on their specific business needs.

Report Analytics can often solve these issues by letting business users meet their own analytics requirements by bringing together data from multiple reports they already use as part of their day-to-day jobs into an analytics solution. A Report Analytics solution that can be “owned and operated” by business users, thus freeing up IT resources for more strategic projects. This reduces the cost of deployment and improves the speed and effectiveness of decision-making, which is imperative during tough economic times when late or bad decisions are difficult to recover from. For example, Checker Distributors' A/P department downloads detailed weekly billing information from UPS that is used by multiple departments. The Receiving department analyzes inbound shipments, the Shipping department analyzes outbound shipments and cross checks for possible billing errors. UPS call tags (return shipping forms) requested by customers are also analyzed to project product returns and shipping address corrections in the UPS report are noted for updating in the ERP. According to Laura Keller from Checker, “the management, refreshing, and distribution of this data is the responsibility of one department (A/P) without the need for IT intervention which improves the access to information and productivity of all parties who need and use this data.”

## Shotgun vs. Rifle

With current economic challenges and budget constraints, it is no wonder that some companies are taking a different, more focused approach to addressing reporting and analytics requirements. Instead of implementing BI as a massive, big-bang, “shotgun blast” that hopes to solve all their data problems with one very expensive trigger pull, many CIOs and CFOs are taking a more focused approach. They are asking a pointed question: “What do we *really* need a BI solution to do for us, and how will it impact our business performance?”

By being as definitive as possible about the objectives of their BI solution, they are squeezing off rifle shots at specific targets instead of shotgun shells aimed in a general direction, ensuring that investments meet their specific business needs. These investments must fit into the long-term, enterprise analytics strategy, but are not bogged down by it.

## The Rise of Report Analytics

The requirement for better reporting and analysis that supplements BI without the cost and complexity has given rise to a BI market subset called “Report Analytics.” Report Analytics transforms disparate data into dynamic reports for easy analysis and visualization. It allows end users to easily access, extract and incorporate data from reports already published inside or outside the enterprise; then create, distribute and publish dynamic, interactive reports — without requiring the time or expense of IT involvement.

The compelling business premise of Report Analytics lies in the fact that in today’s enterprise, there is no shortage of information. It exists in multiple applications, data stores and formats. The challenge is not amassing data, but in addressing and engagingly presenting it. Executives and analysts spend hours collating information from various internal and external sources and manipulating it in Excel in an attempt to present the right pearls of wisdom in the right format to the right people.

***“Our users don’t understand data tables and joins, but they do understand the reports they work with. Report Analytics enables them to pull columns in existing reports from our ERP system, from our warehouse system, and from our CRM system and easily bring it all together in one report.”***

*— Angela Eischen, IT Specialist, Checker Distributors, Maumee, OH*

Report Analytics automates this activity. It aggregates, mines and transforms information already generated and stored throughout the organization and presents it in an easy-to-use, analytic format. In effect, it is the “missing link” in the broader BI reporting arena, capturing both structured and semi-structured data from virtually any existing document — ERP reports, spreadsheets, financial statements, invoices, POs, BI, and other sources. Not only does Report Analytics provide the enterprise with a solution that allows business users to

address their own specific needs, it can often be an effective, smaller-dollar alternative to a potentially significant technology investment.

By bringing information together from many different sources without having to move it all into a data warehouse or relying on IT, Report Analytics helps the enterprise gain maximum value from existing reports and business application investments without burdening IT. The result is faster and deeper business visibility that yields better, more well-informed business decisions.

***“Report Analytics allows our customer managers to make decisions about shipments, credit holds, and overrides before product leaves the warehouse. Without it, they wouldn’t have the insight to make these decisions — which would impact our receivables, bad debt, and customer satisfaction.”***

*— Gina Krieger, IT Director, Checker Distributors, Maumee, OH*

## The Economics of Report Analytics

At a time when *CIO Insight* is reporting that 27% of organizations refuse to implement BI simply for cost reasons, Report Analytics drives costs out of the formula by making the investment more affordable. And for those organizations that have already or are currently implementing BI, Report Analytics is a way to extract greater, faster value from each dollar spent by spending those dollars on a nimbler, faster-time-to-value solution that takes advantage of previous BI investments.

Report Analytics doesn’t require expensive or expansive IT skills (or time-strapped IT resources) to implement or maintain. End users can access data directly from reports, without the need for ETL, complex data mapping, joins, or queries that typically require skilled IT resources. In addition, Report Analytics easily combines BI and other relevant data together. It can actually increase usage of BI data, which improves the value of previous investments in integration, BI tools, data warehouses, and the like.

***“Report Analytics has saved us well over 2,000 hours annually of data processing time, in addition to direct cost savings of \$350,000.”***

*— Amanda Hamm, Efficiency Officer, Public Service Credit Union (PSCU), Denver, CO*

## Report Analytics Encourages Self-Service Analysis

Another cost-saving advantage of Report Analytics is its unique reuse of existing reports. Rather than rebuilding existing production, ERP, CRM, and other reports in a BI solution, Report Analytics can use those reports as its data sources. It leverages pre-existing reports from other systems and sources — as well as existing, pre-verified data in other reports — thus reducing the need and cost of ETL, data mapping, and cleansing.

No data validation is required, because the sources are pre-existing reports that are already validated. This eliminates the need to “tick and tie” imports and mappings, freeing up resources for analysis rather than vetting. For example, executives at Public Service Credit Union can drill deeper into the information, compare different elements of data, and visualize that data in ways that make sense for them — and that analysis can happen sooner, allowing decisions to happen faster.

Business users can leverage existing reports on a daily basis, and use Report Analytics to combine them into dynamic analytic reports. And reports can be easily modified with additional data to adapt to a changing business environment or incorporate business process changes. Dynamic capability and ease of use are the name of the game for expanding the usage of data for analysis and business decision-making.

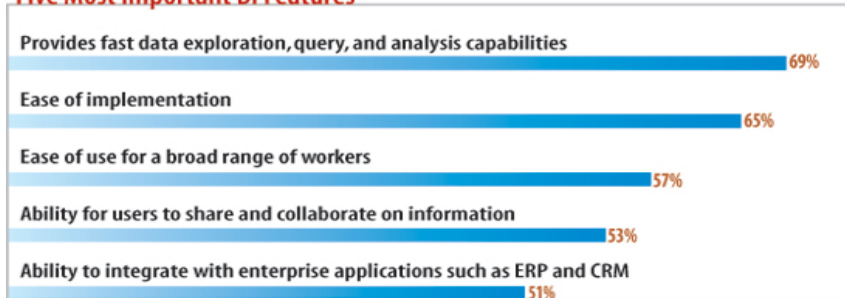
***In a recent survey of 212 IT professionals, 76% of respondents said they'd be implementing self-service BI as a strategy for “doing more with less.”***

*— “BI on a Limited Budget: Strategies for Doing More with Less,” The Data Warehouse Institute (TDWI), 3Q2010 Best Practices Report*

## Filling the Gaps of Traditional BI

Traditional BI delivers great value to the organization, and will continue to do so for decades to come. But some BI deployments fall short of delivering on the most important BI capabilities (see table below). The concept of Report Analytics is to increase the value of data to the organization by filling some of the gaps in current BI deployments, and deliver the key value drivers of BI (see table below) without massive reinvestment in technology and resources.

### Five Most Important BI Features



Data: InformationWeek Analytics 2010 Business Intelligence and Information Management Survey of 410 business technology professionals using or planning to deploy business intelligence, September 2010

Many organizations find it difficult to address the important features referenced above quickly and cost-effectively with their existing BI deployments. Report Analytics can help many businesses address these challenges cost-effectively by supplementing existing BI investments. In the current volatile economic environment, enterprises should evaluate Report Analytics as a way to enhance existing analytics capabilities and drive more value from existing or proposed BI investments.

## Summary

In today's economy, CIOs and CFOs can ill afford to make the mistake of overspending on BI solutions to meet the challenges of today's challenging business conditions. Whether building a new platform or modifying an existing deployment, it makes prudent sense to first identify one's specific BI objectives, then make smaller, laser-focused investments that are easier to get approved and that speed time to value. Report Analytics is one alternative that should be evaluated to deliver analytics capability to the right people quickly and cost-effectively.

## About Pervasive Performance Group

Pervasive Performance Group is a provider of advisory services on performance management and business intelligence. Our focus is helping businesses expand performance management from finance or IT-centric initiatives to an enterprise-wide and enterprise-deep approach that increases the return on their BI and PM investments.

Pervasive Performance Group provides advice, insight, and direction that help businesses recognize and break down the barriers that inhibit wider deployment and limit return on technology investments. Our services help companies progress to a performance-driven culture that empowers IT to expand the reach and impact of technology. We do this by helping companies recognize the tangible and intangible value of expanding performance management from isolated initiatives and departmental fiefdoms to a collaborative performance culture.

\* "The Consumerization of BI Drives Greater Adoption," James Richardson, Gartner, 2011