

The BI Snapshot

A Pulse Survey Report from SCS

The Impact and Influence of Business Intelligence: A Realistic Look

By Brian Larson
Chief of Technology & Business Intelligence Practice Manager
Superior Consulting Services



With consumer confidence returning, organizations are gearing up sales and promotion strategies to take advantage of the uptick. According to reports from Gartner and Forbes, Business Intelligence (BI) will be featured heavily in business strategies of this next cycle. This isn't surprising: The critical activities that drive business success — strategic planning, goal setting and effective decision making — require immediate access to relevant and accurate enterprise-wide data. While these clearly mattered in uncertain times, they may matter even more now that opportunity is again upon us.

I would like to welcome you to Superior Consulting Services' Pulse Survey in which we explore various topics of interest to our client base and the technology industry at large. With most companies adopting some sort of BI system today, we wanted to get a realistic look at the influence of these systems on organizations across the Midwest. In just a few simple questions, this Survey allows us to look at the prevalence of BI, how companies are using it, the hurdles to implementing BI strategies and what the actual impact is versus their perceived potential.

Who Participated?

The organizations we polled were a diverse group in terms of size and industry. A little over half of the respondents (59%) were from smaller-sized companies with annual revenue of less than \$50 million. Large enterprises and mid-sized organizations participated in the Survey with nearly one-fifth of respondents (19%) reporting annual revenue of more than \$1 billion and 22% reporting annual revenue of over \$50 million but under \$1 billion.

The majority of IT leaders who participated were senior technology leaders and managers with 39% identifying themselves as either CEOs or CIOs and 35% identifying themselves as a manager or VP for their organization.

The Prevalence of BI

To understand the influence of BI systems, SCS felt it was important to first understand their prevalence. As it turns out, about half of Survey participants (52%) currently have a BI solution (a defined process for gathering, analyzing and managing data). Of those who didn't, 4% indicated that they didn't know if they had one.

Of those who didn't currently have a BI solution, 17% said they planned to implement one in the next two years. This means that in total, a little over two-thirds of respondents (69%) either have a BI solution or plan on getting one in the next couple years.

While it's heartening to see that a solid majority of organizations have or will have a BI solution in the

next couple years, a more critical point is to understand what value those solutions are bringing. Because BI solutions are only just now gaining currency, examining their impact is key to assessing their future.

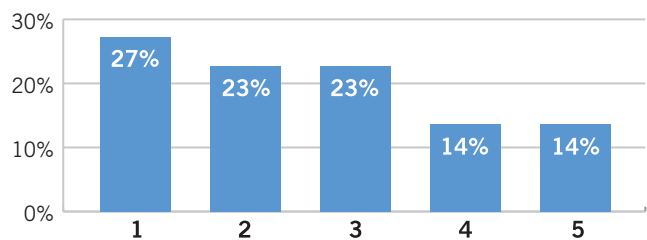
Who Is Using It?

SCS assessed who is using a BI solution and how importantly it figures for different departments within an organization.

In terms of which functional areas were campaigning the hardest for a BI solution, the results were evenly distributed between C-suite, IT, Finance and Marketing (20% each). Sales and Operations split the remaining 20%. The reasons given ranged from being able to analyze current customer bases and identify new ones to being able to estimate the expense and potential revenue of proposed projects.

However, when asked where BI ranked in terms of other priorities within their IT department, the response was less than enthusiastic. Most rated it as a low priority.

Where does BI rank in terms of other priorities in your IT department? (1 being low, 5 being high)



**Due to rounding, percentages add up to 101%*

Digging a little deeper, it was revealed that BI was overwhelmingly being utilized most by Finance (45%). Meanwhile, a little over a quarter (27%) reported that Sales employed BI the most, while 18% listed Operations. This was unexpected. The easy assumption would have been that the balance would be tipped toward IT — or the C-suite for that matter. This seems to indicate that organizations have yet to get a big bang out of high-level dashboard indicators.

Not surprisingly, the functional areas getting the biggest impact from BI virtually matched the ones that were utilizing it the most.

Why aren't IT departments stronger proponents of a BI solution within their company? While IT leaders must scrutinize every initiative and investment for the value it delivers to the business, this lack of interest more than likely points to a lack of understanding of BI's ROI potential.

Current Use & Implementation

When asked to rank the items most valuable to them in a BI solution, the top-rated feature was “ease of report and dashboard authoring,” with “ability of power users to create reports and interact with data” coming in second. This establishes the self-service aspect of BI solutions as a key factor.

Survey participants said that in terms of the impact their BI solution was having, more than anything else, it was “allowing enterprise-wide reporting and analysis by merging information from multiple systems and eliminating the need for custom reports.” It's noteworthy that this feature was less important for those who were just starting out.

Of the BI technology vendors listed, Microsoft was the one most evaluated by Survey participants. Apparently this is for good reason: **An impressive 90% of those who had invested in a Microsoft BI technology solution reported being satisfied.**

Roadblocks & Opportunities

To understand how businesses are leveraging BI systems, SCS wanted to look at what challenges they

faced in their implementation. By and large, when asked what the biggest hurdles were to launching a BI solution, respondents listed cost and justification. This isn't startling as cost will always be a required checkpoint. However, the inability to provide adequate ROI justification is a good indication that BI — and how to leverage it — is poorly understood.

Hurdles to Implementing BI

- 1 Cost
- 2 Justifying ROI
- 3 Lack of BI understanding
- 4 Management buy-in
- 5 Don't have the right staff in place
- 6 Don't have the right systems in place
- 7 Too overwhelming

When this question was further explored from an IT perspective, the biggest concern with BI was articulated as being a lack of strategy that aligned with business goals. This is an interesting disconnect as it simultaneously points to a deficit of BI understanding — and a competitive advantage for anyone who does.

The Untapped Potential

When asked how effective their business was at taking raw data and converting it into actionable business information, only 4% qualified themselves as very effective. Seventy percent said they were only somewhat effective. More than a quarter of respondents said they were not effective at all.

How effective is your business today at taking raw data (information that has not been processed for use) and converting it into actionable business information?



Even more telling was whether or not organizations with a BI solution in place felt they were using it to its full capacity. Not a single respondent felt they were.

So, does this point to a lack of faith in BI systems? Quite the contrary. Virtually all the respondents felt that having a BI solution over the next five years would be important or extremely important for companies in general. What conclusions can we draw from all this?

Based on the general lack of BI understanding that the Survey revealed, it was not a shock to see that so few respondents felt they were utilizing it to its full potential — or even grasped what that full potential was. However, it's equally clear that there is a growing sense of how crucial the right BI system can be to business success.

How this plays out for individual companies will depend entirely on how quickly and firmly they exploit the tactical potential of the right BI solution. The first organizations to truly leverage BI will gain a rigorous, if not permanent, competitive advantage.

About Superior Consulting Services

Superior Consulting Services (SCS) is a Microsoft Gold Certified technology firm that helps clients solve business problems. The firm proudly serves its clients with their best interest in mind to deliver solutions in four core areas:

- Business Intelligence (BI) and Reporting Services
- Application Development
- Network Services
- Special Projects including Microsoft SharePoint and Custom Business and IT Services

SCS' integrity, professionalism, responsiveness and track record of creating a lasting, positive impact have earned us long-standing relationships with our clients. Now in our 14th year in business, SCS' highly skilled IT professionals bring extensive experience and expertise to bear on every project.

To learn more about this Survey, or how SCS has helped clients achieve critical business objectives, please visit our Web site at www.teamscs.com or contact us at 952.890.0606.

350 W. Burnsville Parkway, Suite 550
Burnsville, MN 55337
952.890.0606

www.teamscs.com

