

IBM White Glove Events

Moderator: Tim O'Brien
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Operator: Good day. Welcome to today's web conference. During today's event, all participant lines have been muted to prevent background noise. If you require technical support at any time, please press star, then zero, on your touchtone phone, and someone will assist you. This event is being recorded. There will be question and answer session after the formal comments. You may submit questions electronically throughout today's presentation using the question and answer feature on the web.

To do so, you will first need to exit full screen view by pressing the escape key on your keyboard. Select question and answer option located to the left of your screen under "meeting features." Then simply type your question into the area provided, and submit. Please note that your web questions are private and only the presenters will see them. We will gather your questions throughout the presentation and address them as time permits during the Q&A session. Again, today's session is being permitted. We will pause for a moment to initialize the recording. Please stand by.

We would like to welcome everyone to today's web event titled "BI Strategies Webcast." At this time, it is my pleasure to turn the floor over to Mr. Tim O'Brien. Sir, you have the floor.

Tim O'Brien: Thank you very much and welcome everyone to this installment of the "BI Strategies Webcast" featuring Dave Kasabian from the Pervasive Performance Group, who will be discussing, "Be Real in Your BI Strategy: Other

Methods to Leverage Your Existing BI Investment to a Greater Extent." This is being brought to you by the IBM Cognos Innovation Center.

Before I transfer the microphone and slides over to Dave, I wanted to first walk you through what's going on in the Innovation Center and some of the feedback we're getting from our global customer community about what's top of mind on their agendas within the office of finance and within the office of IT. Just real quickly, about the Innovation Center – we are a global membership of over 6,000 customers that participate in our membership community. We also have a group of third party thought leaders who are subject matter experts across the entire spectrum of what we call business analytics.

In a minute, I'm going to talk to you a little bit about business analytics and what it comprises. But we essentially partner with these thought leaders who either author research articles, thought leadership surveys that they provide us feedback on. And we communicate that back to our membership via their personal presentations and live workshops around webcasts such as this one, or their passing it through the innovation we make it available on our online community and within our Linked In group(s).

Some of the benefits that you will receive as being Innovation Center members, that you're able to participate in these live best practice workshops around business practices like strategy management and score carding, like rolling forecasting, like working capital management and other practice areas, where we get customers together where we not only communicate out what some of these best practices are, but we also allow an environment for really collaboration and sharing in how companies within this live setting are accomplishing these business practices so that you leverage other companies' insights to then perhaps improve on your practices within whatever subject area we happen to be discussing within that workshop. And we also take that information gleaned from these workshops and communicate it back out to our membership community through a number of different channels.

And we have customer success podcasts that we make available to our membership in a monthly newsletter; online community area – told you about

that; and we run the Financial Performance Management Customer Advisory Board, as well as the Business Intelligence Customer Advisory Board. And here's an opportunity for you to get front and center with our development teams and our product management teams to help influence product direction and really have your voice be heard by our team of expert that are developing our products for you all. And as you heard, there's a lot going on in the Innovation Center.

And as a result, we created something called the IBM Cognos Innovation Center widget. It essentially allows you filtering by live events, webcasts, there's also performance blueprints. Performance blueprints are these pre-built data process and policy models that are built around business practice areas like workforce planning, like capital project planning and other functional area practice areas that we've created blueprints. So these are pre-built solutions that you can deploy and certainly customize as you see fit. And these are at no cost to our customers. And we also create some along industry lines as well. So not just within the functional or support units within an organization, but we also look at industry.

So, for example, in retail we have a store operations planning blueprint. We've got a merchandising blueprint. So really worth taking a look out on our website, which I'll give you that URL in a second, and all those assets that are available to you. But by downloading this widget, you can get on-demand access and knowhow on what we're producing and how you can leverage it from the Innovation Center. And you know, I talked about how I wanted to provide some feedback from the workshops that we're delivering and the webcasts and what's really going on in our global customer community. And it's all around how there's a new economic environment out there.

And the days of the industrial economy are really over, from the 19th and mid 20th century, with manufacturing at its core. And really, it's changed such that we're operating the world smaller and flatter. It's riskier, and we're smarter. Smaller and flatter in the sense of, you know, there's pervasive connections in communications. Emerging markets are really at the fore. Just as their name suggests, they're now a player in the world market. And there's a greater open trade. This has certainly changed the nature of business today,

and that is truly a global enterprise. But it's riskier at the same time. There's systems-level complexity; there's a viral spread of information, can quickly make its way around the world; and there's a widening gap between information available and the information needs to be effectively managed.

At the same time, though, we're smarter as a result. We're instrumented; we're more interconnected; we're more intelligent. And what we see as a result of that is that organizations in this new economic environment are focusing on three things. They're focusing on value; they're exploiting opportunities; and they're acting with speed. And when I say focus on value, it's doing more with less, with a cash and capital focus and greater flexibility within the organization. And they're focusing on the core. They're refocusing their existing businesses. And they're reviewing their initiative to make sure those initiatives align with their strategic and operational initiatives that are going to lead to part of their success of the organization.

If they don't see a short-term or a medium-term value in those initiatives, they're being shelved or putting on pause at least. And a realignment of relationships with financial solidity of suppliers, partners and customers, and reviewing those relationships. And revisiting and renegotiating existing agreements. And I brought up exploiting opportunities and capturing share. Disrupting weak competitors is something we've gotten a lot of feedback on that organizations are doing, and really taking a keener view at acquisitions. And exploiting opportunities. Also building future capability. So they're looking to protect and also acquire talent.

There's an opportunity here as well. And developing the required assets within their organization to be able to execute against their short-term and long-term business strategy. And they're looking at changing the industry, which is making some bold moves and positioning themselves global with those organizations that were otherwise domestically focused. And then lastly, acting with speed. Acting with speed in the sense of managing change. And clearly communicating the simple goals across their organization, and seeking and leveraging the experience within their organization to be able to get the right people in the right places working on the right things within the organization so that you're reflecting and responding to the speed of business

changing, you're putting your talent in the right places to be able to align accordingly with that, to be able to move at the same pace.

And then there's a risk and transparency element around business performance management and analytics taking a greater focus. And of course certainly risk management practices. And then lastly, you'll see the four areas of IBM's smarter plan. Just real briefly, new intelligence. This is around clarity and taking advantage of the wealth of information available from our new smarter things to make more intelligent choices. And then we talk about smart work. And that's flexibility – work smarter with support from flexible, dynamic processes modeled for the new way people buy, work and live. And then dynamic infrastructure which is around responsiveness. Create an intelligent infrastructure that drives down cost and secure and flexes with today's business climate.

And then lastly, green and beyond – of course, around efficiency, and align our goals and behaviors with our new responsibilities to our planet and its people. And if we look at just what makes up an organization's market value, we think of tangible and intangible value. And tangible value, that is inventory – property, plant and equipment; money – these are hard assets that, you can almost call them physical assets. And then the other side of it is the intangibles. And these are some of the examples of the intangibles.

And really what that tells me is, this is all around your people – the relationship, the innovation in the products. And that in this speed of business, the velocity of business increasing so much in this new economic environment, that your people are never more important. And this is further highlighted in a Brookings Institute study on which, if you go back to 1982, market cap for S&P 500 companies, that percentage, the majority of the market value is based on those tangible assets I talked about, in '82; decreasing in '92; and then you see in 2006, it makes up only 10 percent tangible value – yes, the tangible value is the part of the market capitalization, which clearly says that the people and these intangibles are what makes up the real true value of an organization.

And as a result – and to steal a line from Jim Collins, the author of "Good to Great, Built to Last" – "you've got to get the right people on the bus; you've got to get the wrong people off; and you got to know where the bus is going." And I think you also need to add a few other things to what Jim Collins has said – is that, you want to know which people with what skills should be in what seats on the bus. And where I think it really changes even moreso in today's economy is that you're not on a bus; is that all your people are actually a part of a squadron moving at jet speed. And you want to make sure everyone's aligned accordingly to keep up with that speed of business I talked about earlier.

And the difference is, you're not going along on a fixed land, tangible, very focused effort along a road. You're actually trying to land these jets, all of them, on a moving target like an aircraft carrier. So you know, clearly we're in a new economic environment. The idea is, arm your decentralized decisionmakers who are across your organization, regardless of what level they sit in, what function of the organization they sit in, or what geography. They're making decisions every day that can truly improve business performance if it's based on timely, accurate, reliable and easy to consume information. If we can get that information to those decisionmakers, then better business performance will, in the end, result out of better decisions being made.

And so, business analytic software is really around decisionmaking software. And essentially, what we're talking about, is that IBM business analytics is unique, because we offer the ability to address all the key requirements of our clients and (their) traditionally forming categories that make up business analytics. And that is, business intelligence, financial performance and strategy management, advanced analytics – and that includes predictive analytics. And then analytics applications. And IBM's able to help clients optimize their performance across the enterprise or by functional need.

Just to quickly state each one of these buckets. Number one, business intelligence. What we're talking about is query, reporting, analysis scorecards and dashboards, to enable decisionmakers across the organization to easily find, analyze and share the information they need to improve decisionmaking.

When we talk about advanced analytics we're talking about data mining, predictive modeling, what-if simulation, statistics and text analytics, to identify meaningful patterns and correlations in data sets, to predict future events and assess the attractiveness of various courses of action.

Thirdly, financial performance and strategy management. We're talking about budgeting and planning, financial consolidation, scorecarding and strategy management, financial analytics and related reporting capabilities to help simplify structure and automate dynamic and sustainable financial performance and strategy management practices. And lastly, analytic applications. What we mean is, applications that package business analytics capabilities – that is, data models, process work flows and reports to address a particular domain or business problem. For example, customer workforce, supply chain and financial performance management. You hear a lot about that.

And IBM helps our clients optimize business performance through actionable insights for decisionmakers; consistent, accurate and trusted information; and rich industry solutions, proven practices and professional services. And all of this can be accomplished, really what we're talking about, is through a single integrated platform. We're not talking about logging in and out of different databases like an Access database here, an Excel document, could be a datawarehouse, to get different bits of information to answer different questions around what it takes to gather information to make the right decision. You can do it through a single platform of business analytics.

And stated differently, around business analytics, we're asking really three questions that the business analytics solutions can answer. And number one is, that question of what's happening; what's going on in the business to provide immediate insights to business performance? And that is, think of it as a key performance indicator like on-time customer shipments. That would be an example of something you'd be measuring and monitoring to answer that question of what's happening. And that's done through scorecards and dashboards, reports and real-time monitoring.

And then once you've understood what's happening, then you want to understand why, for that deeper analysis. And the importance here is to be able to drill through from that information – not leaving one application, going to another application to understand the why's – it's to do it under one roof, if you will. And that's through (ad ap querying), trend and statistical analysis, and content analytics to answer that question of why. And then lastly, what's likely to happen, or what should we be doing based on the information I've gleaned from answering those two previous questions? And that's typically done through what-if analysis, predictive modeling, planning and budgeting, to provide the foresight to plan and allocate resources.

So that is business analytics in summary there. Hope that was helpful to you all. I'd imagine there's a few questions there. I went through that pretty quickly. I apologize. But I wanted to make sure I got it all in. And certainly, if you have any other questions on this, you can contact me directly. There's my contact information. Or just go right to the Innovation Center website at www.IBM.com/Cognos/innovation-center. You can download the widget. You can find out about our live events. You can find out about more of our webcasts, download thought leadership around all of those business practice areas within business analytics I just told you about. It's all out there in the Innovation Center. So thank you all for that time. It is now my pleasure, Dave Kasabian from the Pervasive Performance Group. Dave, you have the floor.

Dave Kasabian: OK, thank you, Tim. As Tim mentioned I've been doing a webinar series with the Innovation Center. And today's topic is going to be, "Getting more out of BI; Being Real." And I'm going to describe what that means and we'll go through that in some level of detail. I also have here my contact information. I've been in the BI and performance management area for over 20 years, from the vendor perspective, business consulting perspective and analyst perspective. So part of my charter is providing thought leadership that combines those different types of experience into something that is still advisory, but also gives you action steps to take. So it's a blended approach that I take. And today we're going to talk specifically about the series that Tim and the Innovation Center and I have been working on over the last several months. I'll give you a quick summary of the webcasts that we've

done to date. Then we'll go specifically into the topic area of today of being real, and that's really about setting expectations for BI to make it successful; and then how to drive those realistic expectations. And then I'll throw it back to Tim for question and answer.

So the overall webinar series' goals that Tim and I established back almost probably nine months ago was really to drive further expansion of BI, given the existing challenges that we had from an economic perspective. And we've got, you know, mixed signals whether the economy is getting better. But we're all, as Tim said earlier, we're all being expected to do more with less. And so this webinar series was really designed around, how do we get more value out of the investments that we've made in BI, and how do we keep the momentum going that we've established, without having to necessarily make significant new investments? Not that you don't want to do that, but there are times when you can't. So keeping that momentum going, given that, the challenging environment that we're in today. And it's really about getting more value out of the existing BI investments. That's what we're really trying to do here. That's what this entire webinar series was about, is trying to get more value out of those existing investments.

So based on that, we came up with six different topics that we will do webcasts on and we're also doing white papers on. And each of these topics – we're actually on our fifth one today which is, Be Real. And at the beginning of this series, we had everybody evaluate the most important ones to them. And we have done them in that order. So those that were highest priority we did first. We are now on the "Be Real" topic. And all the other ones have been done, other than "Embrace the Changing Champion." And we will be doing that one in a future webcast.

I want to give to those of you who haven't attended the previous ones – there are, as I said, there are white papers and recorded webcasts around these – but just to show you what we've done and see if these, some of these are of interest to you to take a look back at – we did the original kickoff of this series, which was identifying what those six topics and tactics were going to be, and having the audience prioritize those; talked about why this series made sense and why do it now. And then, as a result, we started doing the follow-

on ones. And the first, highest-priority one was ROI. That was a key topic. And that was talking about both the tangible and intangible ROI. And Tim talked a lot about intangible versus tangible in his part of this presentation. But it was really about putting some monetization around some of the intangibles, and building strong business cases for additional investment.

Then we did one on thinking globally, acting locally. And that was about really the different approaches to implementing BI and figuring out which is the best approach for your particular organization, and then some steps on how to execute on that. Then we did "Reduce, Recycle, Reuse" which was looking at your existing investments across not only vendors but tools, in internal and external resources; and figuring out ways to get more value out of those. And so we went into quite a bit of detail on the different ways to do that. And then our last one was "Go Deep." And that was about taking the deployments that you've done in BI deeper down into the organization to get more value out of it. So that's a quick summary. And, as I said, those are available on the Innovation Center website if you wanted to dive deeper into each of those.

But today's session is about being real. And what is being real? What being real is really about is setting realistic expectations for BI. There has been a lot of press over the years about the failures of BI. And when you look at some of the failures that have happened, it's usually about improper expectation setting. So what we're going to talk today about is about being real and not having a pie-in-the-sky type approach to this, but being very realistic about what you can and can't accomplish with BI, based on your requirements and also your organization.

So some of the topic areas that we're going to talk about are scope. And I think scope is one that anybody in IT can appreciate, doing an appropriate scoping. But for BI, there's some certain tips and tricks around scoping that are very important to consider as you're trying to make sure that you're setting realistic expectations for BI. Then there's also the cost. You know, we talk about license cost, but this is going to be more around the total cost of ownership, and being realistic about what BI will cost you over the course of

the implementation. And that's not to instill any fear. But that's to be realistic about the cost versus value and making sure that that is properly measured.

And then the next one is culture. And this is a very important one – understanding how your culture will respond to BI, and what cultural challenges you might have within your organization around the deployment of it or the expansion of it. And then the resources – what resources are going to be required? And looking at that, again, not just as your IT resources, but the additional resources throughout your organization and external to your organization that are going to be required. And then finally, it is about the success criteria. What will measure the success of this when you have completed your deployment of BI, whether it's in a big bang approach or a phased approach? How are you going to measure the success of it, and how are you going to communicate that success back to the organization?

So these are what I came up with as how to set realistic expectations. I think anybody will have some additions to that. I think everybody will have run into different things. But I think this gives you a good core group of things to think about when you're thinking about setting realistic expectations for BI. So before I continue on with this, I want to do a quick polling question. When you look at your organization's expectations for BI – wanted to get a feel for how realistic you think your organization is when it comes to what they should be getting from BI? So are they completely realistic, they understand exactly what BI is, the value it can bring, the costs associated with it? All the way down to, are they not realistic at all? Do they think it's going to make their coffee in the morning and make all their business decisions for them? So take a quick second, and vote on that polling question, and then we'll see what the response is.

Operator: And we'll give them just a few more moments.

Dave Kasabian: OK.

Operator: And we'll go ahead and close this poll.

Dave Kasabian: Great, thanks, (Erica).

Operator: And your results.

Dave Kasabian: OK. So interestingly, a lot of mid range there. Nice to see a fairly high percentage of mostly realistic. We've got the pretty standard bell curve here, interestingly enough, with not very much that are not realistic at all. So that's good. And what we need to do is, work on moving more of those "somewhat realistic" into the "mostly" and "completely realistic." And that's really what this presentation is about, is ways to try to do that.

So if we look at the first topic, which is proper scope, you know, one of the ways that BI has traditionally been deployed in years past is that, if IT is able to deploy the technology, and if they build it, that the users will come. And the reality is that that has not really worked very well in most organizations. Because what it's doing, is it is scoping the deployment based on the available technology versus the requirements, the business requirements and what needs to happen in the business.

So it's very important not to take the "if you build it they will come" approach. You really need to think about engaging the businesspeople in the process at the beginning, and building something that they want and need and have bought into before you actually start building it. So it's about setting those proper expectations for them about, what is it that they want to get out of BI? And a lot of times, that will take a level of education. Because the reality is that a lot of business users don't have a great understanding of BI. They have some conceptions of what it can and can't do, some of those set by vendors and analysts that are realistic in some cases, maybe overly optimistic in others.

And it's important to educate the business users on what BI can and can't do in order for them to really understand what they want to do with it. Because the reality is, a lot of times they don't know what they don't know. So setting proper scope sometimes starts before actually going into requirements gathering. Sometimes it takes a level of education out to the potential user community on what BI is and what it can do realistically. And then from that, having them think a little bit more outside the box and not thinking strictly about, how do I replicate my existing processes and make them more automated, but what is it from a business value perspective that I could do

with this that maybe I'm not doing right now? And setting that type of realistic scope is very important to the success of the project in the long term.

And also it's important to think about why BI and why now? If you can't answer that question – if it's because it's an enabling technology that should improve business decisions – that's great and that's true. But you really need to think about taking that down a level and thinking about, what does that mean to the business user? What will they do differently in order to accomplish that? And building that into the scope. And that also will help you with one of the later topics, which is developing success criteria.

So that's scope. Another topic in being realistic is about the total cost of ownership. The reality is that when we're thinking about what the cost of BI is, the license is actually only a small percentage of it. And a lot of organizations get caught up in negotiating the best price with their vendor, and getting the most license they can for the least amount of money. But the reality is that license is only a small percentage of the cost. So while we all suggest negotiating the best deal you can on license, you also have to set proper expectations on other costs that are associated with BI.

And actually Gartner just came out with some research in March of this year that did some analysis on that, and they found that for a business application that's used for say 10 to 15 years, the total cost of ownership, license is only about eight percent of that. So there are many, many other additional costs that are going to drive up that total cost of ownership. And it doesn't mean that it's not going to be a valuable initiative that you should take on. But it does mean that you need to be realistic about setting the total cost of ownership expectations at the beginning. Because even if it is perfectly deployed, creates a lot of business value, if it costs twice of what the original estimate was, there will be people that say, that failed. And but if you had set those cost expectations right out of the gate, then that would not have been a factor.

So there's several different additional costs that should be weighed in this – from the hardware perspective, from ongoing maintenance of the software and the hardware that supports it; implementation costs, both external consultants

and internal resources; and support – how is it going to be supported in the long run? And all of these will influence the total cost of ownership significantly. And another thing that's not listed here but is very important is training. There will be a cost for training, but trying to reduce your costs in order to limit the amount of training that's done is actually not cost effective because it's going to impact the success. So building that type of cost into the initial cost estimates becomes extremely important.

And the other thing I would say about total cost of ownership is that, you know, I've seen a lot of organizations that will go with their preferred vendor for BI because that's the ERP they use, and they feel like that's going to reduce their total cost of ownership. But what we find a lot of times is, one of the biggest costs of BI is the integration aspects. And it's not only integration with ERP, but it's integration with lots of other systems. And Aberdeen actually did a survey of over 6,000 companies recently, and they found that the biggest issues around BI for those that had implemented it were data cleansing and integration and automation. So thinking about that and what that's going to mean to your total cost of ownership is very important, and weighing the benefits you might get from doing it with a vendor that you're already using to reduce some of those costs of integration versus some of the functionality trade-offs you might make all are going to weigh into your total cost of ownership.

But the thing I would say there is that it's not always the incumbent vendor that provides the lowest cost of ownership. They may. But it's something that needs to be weighed. Another thing to think about is the cultural impact. And this cartoon that I have on here, it's a little facetious, but you also have to be very aware of the fact that you will have people in the organization who are against change. And BI does bring change. And there will be a cultural impact. So you really have to weigh, what is my organization's culture as far as adoption of BI? Do I have champions at the top of the organization that believe this is the right thing to do and should be done, and everybody needs to get on board with it? Or are they more like this cartoon where, you know, this particular manager would rather do things from a gut feel perspective than looking at information?

And the other thing to think about here is, knowing your friends and knowing your enemies. Who's going to embrace it, but also the key is, who's not going to embrace it? Who are going to be your roadblocks toward this? And working, not working against them and fighting against them on it – but more embracing them, keeping your enemies close to you, and understanding what their requirements are and figuring out a way to meet their requirements as well as those that are going to be more willing adopters of it. Because it's your enemies that are going to create the roadblocks. So it's important to embrace them, not try to avoid them. Because that's only going to get you in trouble in the long run, and they're going to be looking to poke holes in it, especially when it comes down to measuring success criteria.

So you need to really take a look at who's going to embrace it, how they're going to embrace it. And do it across the entire business, not looking just at senior management, but thinking about it from an IT perspective – internally, who's going to embrace the change that's going to have to happen in IT? How will finance embrace this; how will the lines of business embrace this? And the answer is going to be different across the organization, but you need to really take a look at it and understand what some of the cultural impacts are going to be.

And then another area that organizations typically can be unrealistic around is the resources that are required to do it. And it's not just around the IT resources. Typically the vendors can help you out with what IT resources you're going to need. They'll typically be able to help you with what external consulting resources you're going to need. But there are a lot of other resources that you need to plan for that are going to be just as important. Like who's going to support it? Are you going to need to develop a center of excellence around this? Should you develop a center of excellence around it? And if you do, what business resources should be included in that center of excellence?

So you need to think about who's going to participate in this from the business side, and being able to go after those resources and be able to get those resources. And sometimes that's challenging to do. So you have to be realistic about that. And you also have to think about what data sources am I

going to need, so this is much more from a true IT perspective. What data sources are going to be required; how am I going to access that data; do I have the internal resources to do that? And then thinking about resourcing from an outsourcing perspective. Should I outsource some of this? What should I outsource? Where do I need business acumen that's going to require my internal resources to focus on, and what parts of this can I outsource to external resources?

All of that's going to play into how you define what your resource strategy is going to be. But it's going to take some up front analysis to understand what all the resource requirements are going to be there. Now as I said at the beginning of this discussion, your vendor can help you out with a lot of this, including things like center of excellence. Certainly they have done a lot of work around that and can help organizations understand the value of that, how to structure centers of excellence, and how the center of excellence can be used to help support the organization.

And the last one is success criteria. And this is very much tied to the opening one, which was scoping. And proper scoping leads to proper success criteria. It should be done at the beginning. As you're scoping it out, you should be deciding what the success criteria is going to be. And you need to be doing it from a few different perspectives. You need to be thinking about where did I start, what's my current state? Am I starting from ground zero where I have no real BI, and communication and analytics is happening via a very manual process? And what's my end goal going to look like? Am I trying to move my organization to a full deployed BI across the entire organization? What is the current state? Where am I trying to get to? How am I going to get there? What phases are going to be necessary in order to get there? And creating consensus on the success criteria at the beginning.

Now, consensus can be hard, so you need a champion who is going to be the tiebreaker on discrepancies around what the success criteria should be. But you want to do your best to get a consensus where possible, and then use the champion to drive consensus where it needs to be driven. And then determine what the measures of success will be. And if you cannot create a metric around a success criteria, it should not be a success criteria, because you're not

going to be able to measure it, and then it's going to come down to interpretation. And that's where, you know, when I was talking about enemies earlier on, that's where enemies can come back to bite you and say, this is how I interpreted it.

So it's important to have those measures, and to measure it during the implementation. Not just wait till the end of the process, but review the success criteria and the metrics during implementation, during rollout and during usage. And then also do a post-mortem on it as well. Because what you'll find is, as you look at what you were able to do successfully, where your problems were, doing that post-mortem is really going to help you as you go to the next phase and expand what you're doing around BI out further into the organization, or deeper into certain parts of the organization, or out into your supply chain or out into your partner community. Taking the time to do these post-mortems of your success criteria – what you met, what you didn't, why you didn't, is going to be important to the next phase. And setting realistic success criteria really helps you live to fight another day. One of the biggest challenges around BI and a lot of the failures have been around improper scoping and improper setting of success criteria. So you're better off to under promise and over deliver in these types of situations on the success criteria. And again, making sure that it is something that you can measure.

So I wanted to take a quick second here to do another polling question. We've gone through, at a high level, the different barriers that are out there to being realistic. So I wanted to get an idea from your perspective and your organization's, where do you see the biggest barrier to being realistic in the organization? Where do you see your biggest challenges in setting proper expectations for BI, properly scoping it out and delivering on it? So (Erica), why don't we just give this another few seconds, and then we'll see where we are on that.

Operator: Right. Going to go ahead and close the poll.

Dave Kasabian: Thank you.

Operator: And your results.

Dave Kasabian: OK. So we have a couple of big winners there. Resource limitations is a big one. And that's certainly understandable in this economy – both limited internal resources and the ability to fund bringing in external resources to do it as well. And then scoping is the next largest. So not setting the proper scope at the beginning. Insufficient success criteria did not hit at all, which is interesting to me, and is not indicative of a larger survey sample. But I'm glad to see that the people on the phone have been good at being able to set success criteria correctly.

So with that, I'm going to wrap it up with just some quick steps on ways to really be realistic around expectations. So the first one is really to inventory. Look at what you have in your organization around BI; what you've deployed, what's worked, what hasn't. Look at your successes and your failures in order to make sure you learn from those. And evaluate them as to the effectiveness of them. Also evaluate your business culture. Is senior management on board? Where are your biggest barriers going to be from a cultural perspective? Looking at that. So you're evaluating both your previous deployments, but you're also evaluating your culture.

And then target. Looking for your best chance of success – where you have your best champions; where your business culture seems most conducive to deploying BI and getting value out of BI, and targeting that as a starting point. Also targeting an area where you feel you have very strong data, where there isn't going to be a lot of debate around the data, so much as making sure that we get the right requirements and get it deployed correctly. And then scoping it; you know, define it, look at who the users are – how you want to scope this, how you want to deploy it, what phases you think you should do, prioritizing what should be phase one, phase two, kind of the standard IT deployment scoping.

And then estimating. Again, this goes back to the cost aspect and estimating total cost of ownership, not just cost of license and implementation. And making sure that you're realistic about what that total cost is, and putting that into your initial business case so there aren't surprises later on. And then, defining the timeline, the success criteria, and getting consensus around or at least agreement on what the success criteria is and what the measures of that

are going to be. And then test it. If you have the opportunity to do it in a pilot scenario, I would certainly suggest that. So that you can test it; you can get some feedback into the process and be able to tweak it and make some changes to it.

Then train the rest of the organization that's going to be using it before deploying. And as soon, as close to deployment as possible. And then doing the actual deployment. And that deployment is going to include coming up with the ongoing support, plan and whether you're going to be developing a center of excellence to support it, et cetera. So those are the steps that I would take to making sure that you're being realistic in your expectations around BI, and most importantly, making sure that the organization is realistic in their expectations of BI.

So that wraps up the topic for today. As I said, some of the webcasts are available on the Innovation Center website, as well as some of the white papers that were written around the previous webinars. And certainly open to your input and feedback. You can see my contact information here as well. With that, I'll throw it back to Tim; see if we have a couple of questions for the remaining few minutes that we have.

Tim O'Brien: We do.

Dave Kasabian: OK.

Tim O'Brien: And Dave, you know, the question I always think of in these circumstances is that, you know, most – let's say IT departments – and it might be a different group that's necessarily responsible for a BI initiative – but typically those groups, especially today with all the cost cutting and lean Six Sigma work going on to do more with less – you know, a question that certainly could be asked is, why now? And not only why now – it's, we're having a hard time even keeping up. You know, there's so many demands being put on our group. Why is this so critical now? And how would you respond to that?

Dave Kasabian: Well, part of it is around that last statement that you made, that there's so many demands on our group now. And part of it is looking at what those demands are and looking at them from a business perspective, and

understanding how some of those demands could be decreased by actually making some of these things more self service than they currently are. So while you are doing an additional deployment of BI, you might be being able to make more of the user community self service, and actually decreasing the demands on IT to service them. So that's one way I would look at it as a "why now."

Tim O'Brien: OK. And if you look at the entire webcast series – ROI, ROI, ROI; Think Globally, Act Locally; Reduce, Recycle, Reuse; Be Real; and then Go Deep and Embracing the Changing Champion – you know, we've certainly seen some major changes in the global marketplace, even over the last six to 12 months. And I'm just curious if, when we first talked about putting this together, if the weight on any of those has severely increased or decreased over this period of time? I mentioned six to 12 months. Maybe ROI isn't as critical as it was a year ago. It always will be; there's no doubt about that. But maybe something else has taken a greater importance. Is that true at all?

Dave Kasabian: Yes, you know, it is. One of the things that I've seen changing over the last 12 months is actually in our next topic, the Changing Champion. Where we're seeing IT is still involved in these decisions, and the CIO is a major decisionmaker. But we're seeing a lot of the drivers of BI and the champion of BI being more in the line of business. So senior executives from an operations perspective, or the CFO. We're starting to see that drive the actual decision, and sometimes the budget is coming from those areas. So I've seen that as a change.

And I've also seen where the act locally – Think Globally, Act Locally – has taken on a lot of, has gotten a lot of traction as well. Where we were seeing at the beginning of the downturn in the economy where BI was really starting to go more tactical and going – each part of the organization was doing their own thing around it, because they weren't able to get approvals for a big spend. But now what we're seeing is, they're still doing it, they're still acting locally but they are doing it much more from a strategic perspective. And they are not, they're not really hiding what they're doing. They're actually embracing doing it from a global perspective. Whereas in the past, a year ago or so, it

seemed like everybody was kind of doing it from a cowboy mentality. There's much more structure around it, but it's still being done in a phased approach.

Tim O'Brien: Right, right. And a lot of organizations the Innovation Center works with, especially those have really gotten good at BI, meaning it's pervasive across their organization. So they've sort of been able to manage that lagging set of indicators, which BI can provide that lagging information, typically when you're thinking of a traditional BI deployment. And they've gone that next step, which is that last question I talked about at the beginning in business analytics – what should we be doing? So what's that next step – based on this drill-through and context research what I've been able to do – now what can we do tactically to either exploit an opportunity or avoid a pitfall that's impending?

Dave Kasabian: Yes, yes.

Tim O'Brien: And be able to do that through a single integrated solution.

Dave Kasabian: Yes, once they get more mature, you know, it's kind of Maslow's hierarchy. One you get to the point where you understand where you are and you get good at that, that is the next step in maturity is saying, OK, now what do I do with it and how do I act on it? And once people get, organizations get comfortable with BI, that is the next step that they typically take.

Tim O'Brien: Excellent. Well, I think we're out of time. Thank you to Dave Kasabian from the Pervasive Performance Group. Appreciate your joining –

Dave Kasabian: (You too), Tim.

Tim O'Brien: -- the webcast and talking to our membership today. Thank you, everyone, for joining this webcast – "Getting More Out of BI – Be Real", delivered by Dave Kasabian, part of his webinar series on the six tactics to getting more out of your business intelligence investment. Thank you, everyone, for joining. And enjoy the rest of your day.

Operator: This concludes today's conference call. You may now disconnect.

END