Business Intelligence: The Next Generation of Innovation

Andreas Bitterer

Gartner.
Business Intelligence

Madrid, 9 April 2008

Gartner.

How to Build a Skyscraper
… and Why Does It Matter to BI?

Monadnock (1891)
Chicago
17 Stories

Flatiron (1901)
New York
22 Stories

Burj Dubai (YE08)
Dubai
164 stories

The ultimate success of all three project is determined not only by project developers and architects, but also by the financiers, brick manufacturers, construction foremen, leasing agents, and tenants.

Gartner®

Urban Sprawl

- BI focuses too much on *Bottom Up* reporting of performance measures.

- And the measures are not what your CEO or senior managers care about.

- Projects are built with little governance or alignment with corporate strategy.

BI is the Most Important CIO Priority for 3 Years Running

2008 CIO Technology Priorities

To what extent will each of the following technologies be a Top 5 priority for you in 2008?	Rank 2008		Rank 2007	Rank 2006	2008 Increase*
Business Intelligence Applications	1	←	1	1	11.20%
Enterprise Applications (ERP, SCM and CRM)	2	←	2	**	8.02%
Server and Storage Technologies (Virtualization)	3	▲	5	9	8.45%
Legacy Application Modernization	4	▼	3	10	5.79%
Security Technologies	5	▲	6	2	8.53%
Technical Infrastructure	6	▲	8	12	4.67%
Networking, Voice and Data Communications (VoIP)	7	▼	4	8	6.83%
Collaboration Technologies	8	▲	10	4	7.75%
Document Management	9	←	9	**	7.91%
Service-Oriented Technologies (SOA and SOBA)	10	▼	7	6	6.71%

* Unweighted average budget change
** New question for 2007

Gartner®

Source: 2008 Gartner Executive Programs CIO Survey, January 10, 2008
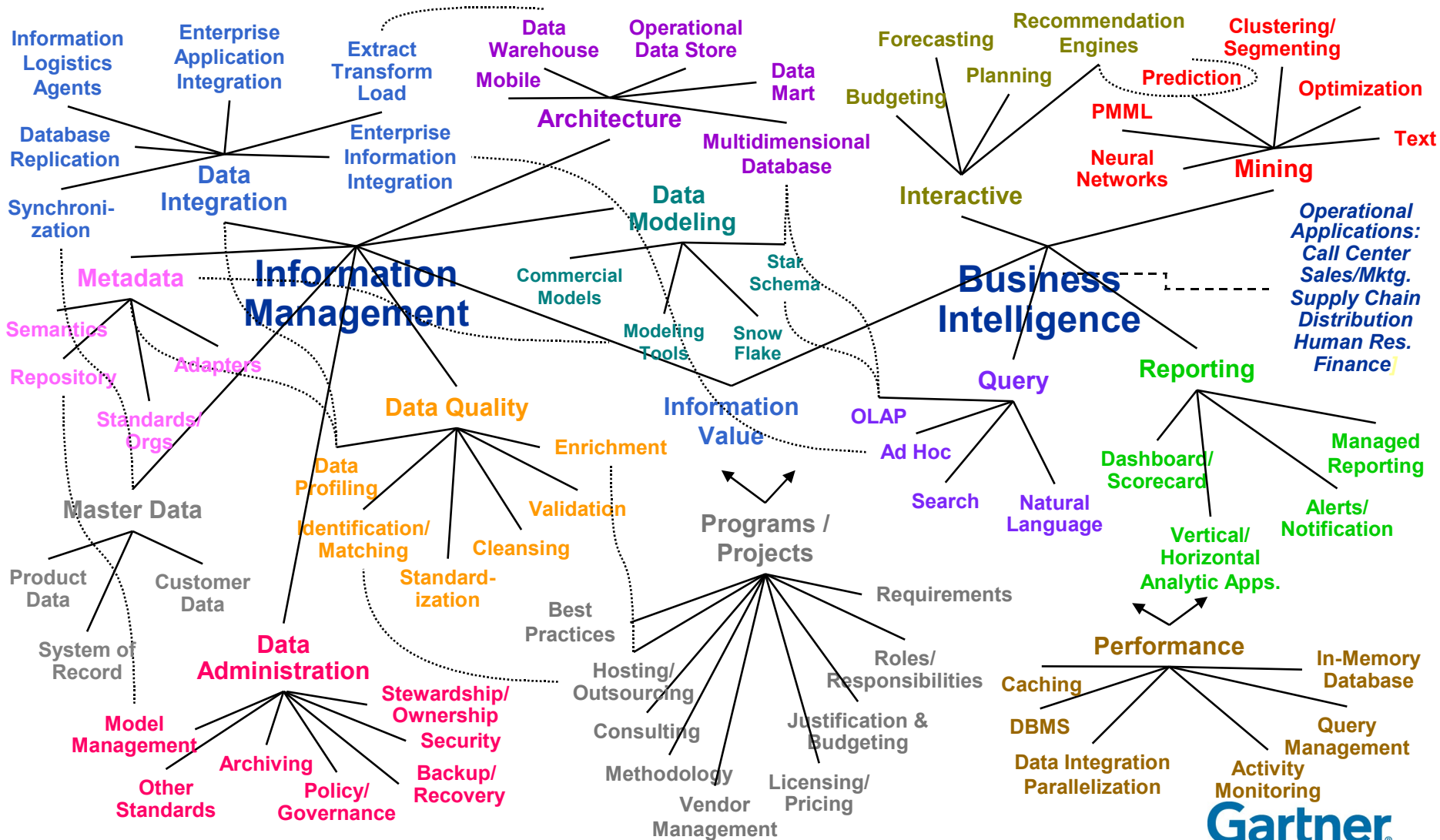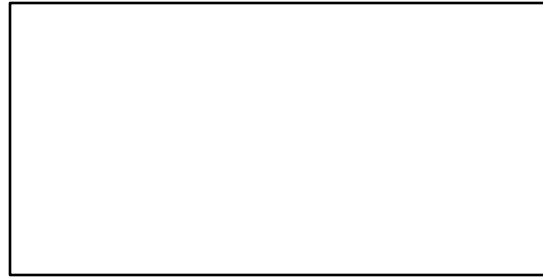
Business Intelligence Defined

Business intelligence is the use of information that enables organizations to best decide, measure, manage and optimize performance to achieve efficiency and financial benefit.

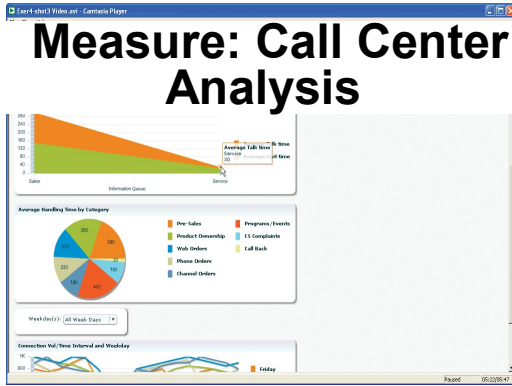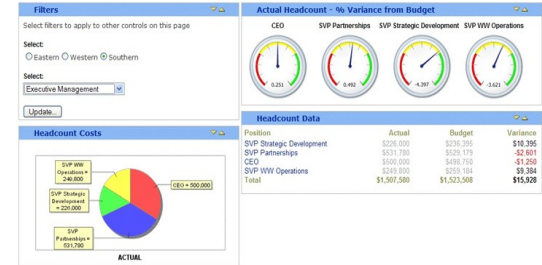# Business Intelligence and Information Management Topography

Gartner

Today: Business Intelligence is Treated Tactically

Optimize: "Real Time BI"

Align: HR Performance Dashboards

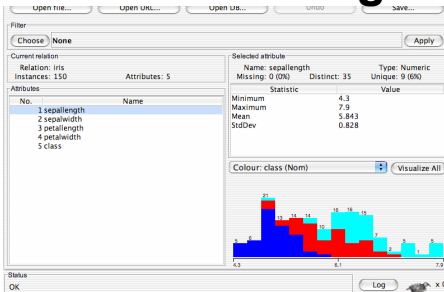**Measure: Call Center Analysis**

Decide: Sales Analysis Spreadsheets
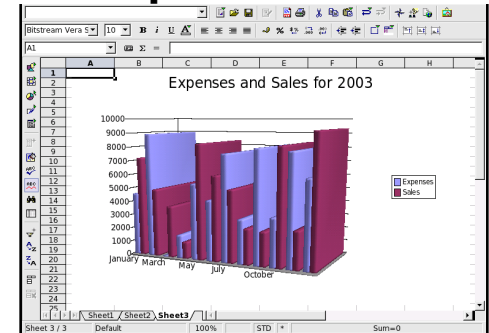
Optimize: Production Forecasting
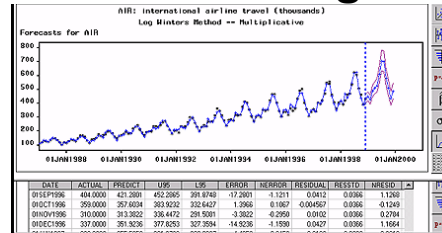
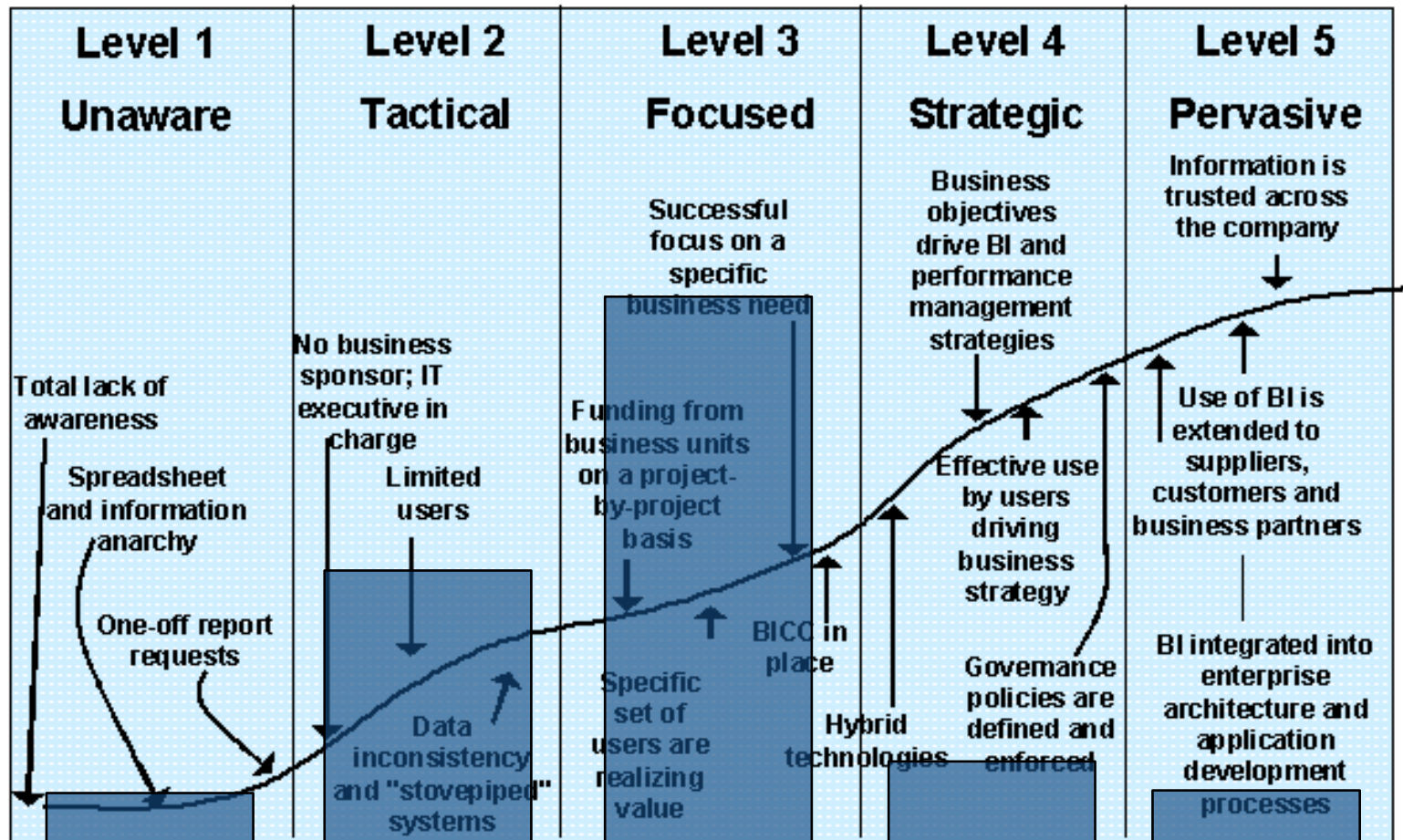**Discover: Customer Data Mining**

Measure: Sales Reports

Measure: Regulatory Reporting

Gartner

BI Is Fragmented And Not Pervasive

 # 1 Problem: Making BI pervasive among business users; BI is still too hard for most users.

Gartner

A New, Broader Business Intelligence and Performance Management Framework is Needed

2004: IT Driving BI

Measure

BI Platforms

Data Warehouse

2012: Business Intelligence and Performance Management Driving Business Transformation

Optimize

Innovate

Discover

Decide

Measure

Align

Business Strategy

Performance Management

People	Process

Analytic Applications

BI Platforms

Information Management Infrastructure
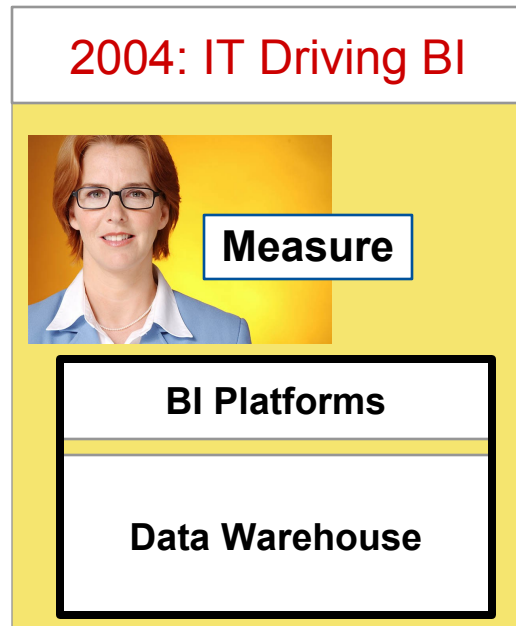
BICC: The BI Governance Body

Enterprise Architect

Information Architect

Integration Specialist

Data Quality Analyst

Finance

Sales

Marketing

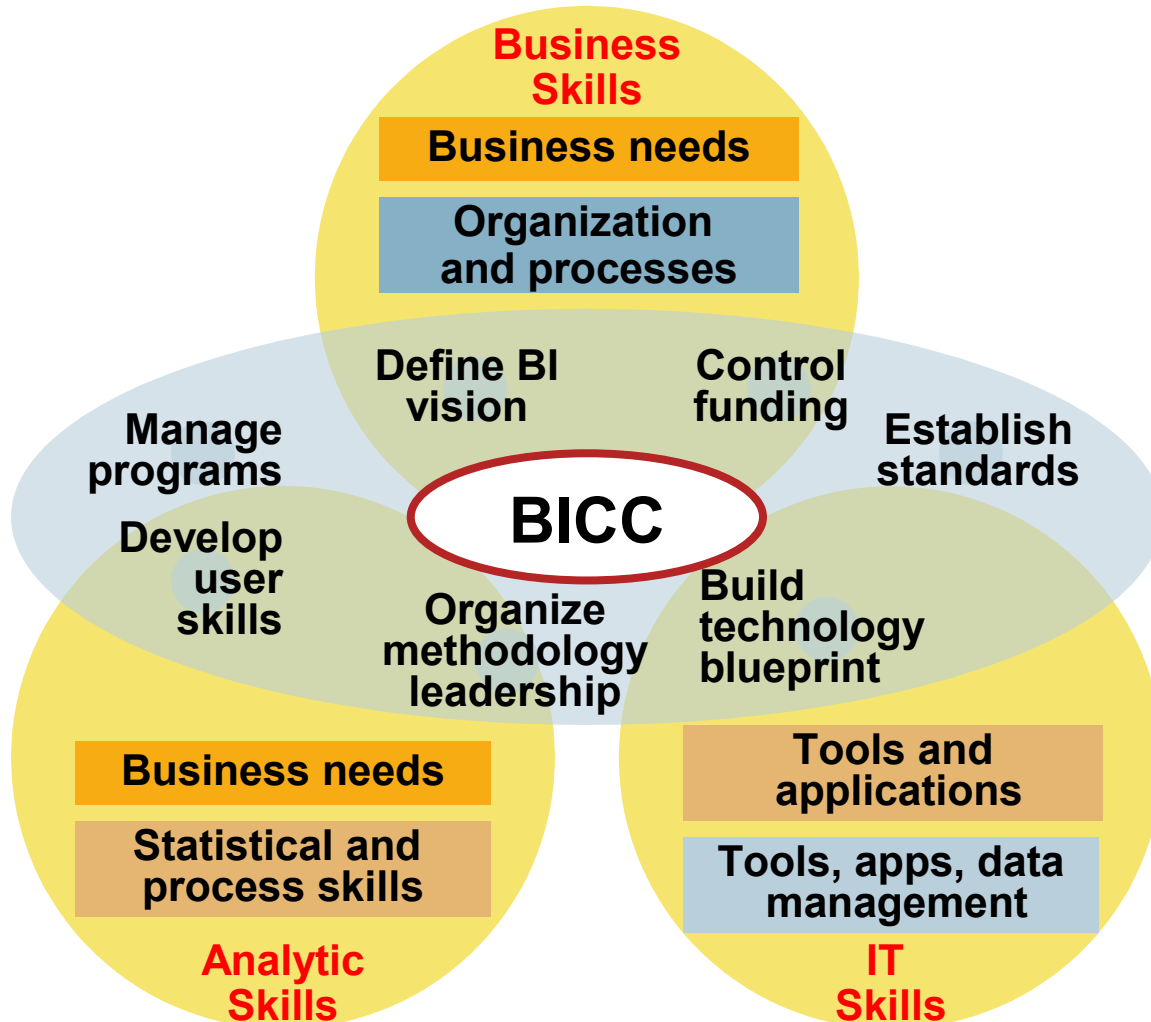**Production**

Human Resources

Supply Side

DEMAND Side

BI Strategy

BICC

Create an Organizational Strategy for BI and Performance Management as Core Competency

Function of BICC

– Provide vision and strategy, and business plan for integrated BI initiatives

– Define standards, establish overall BI applications architecture

– Define and manage product portfolio

– Program management across business, IT and service providers

– Define information standards: data, business rules, governance and quality

– Drive competency and consistency via education and support

– Make BI into a core competency

Gartner®

A Wide Portfolio of BI Capabilities
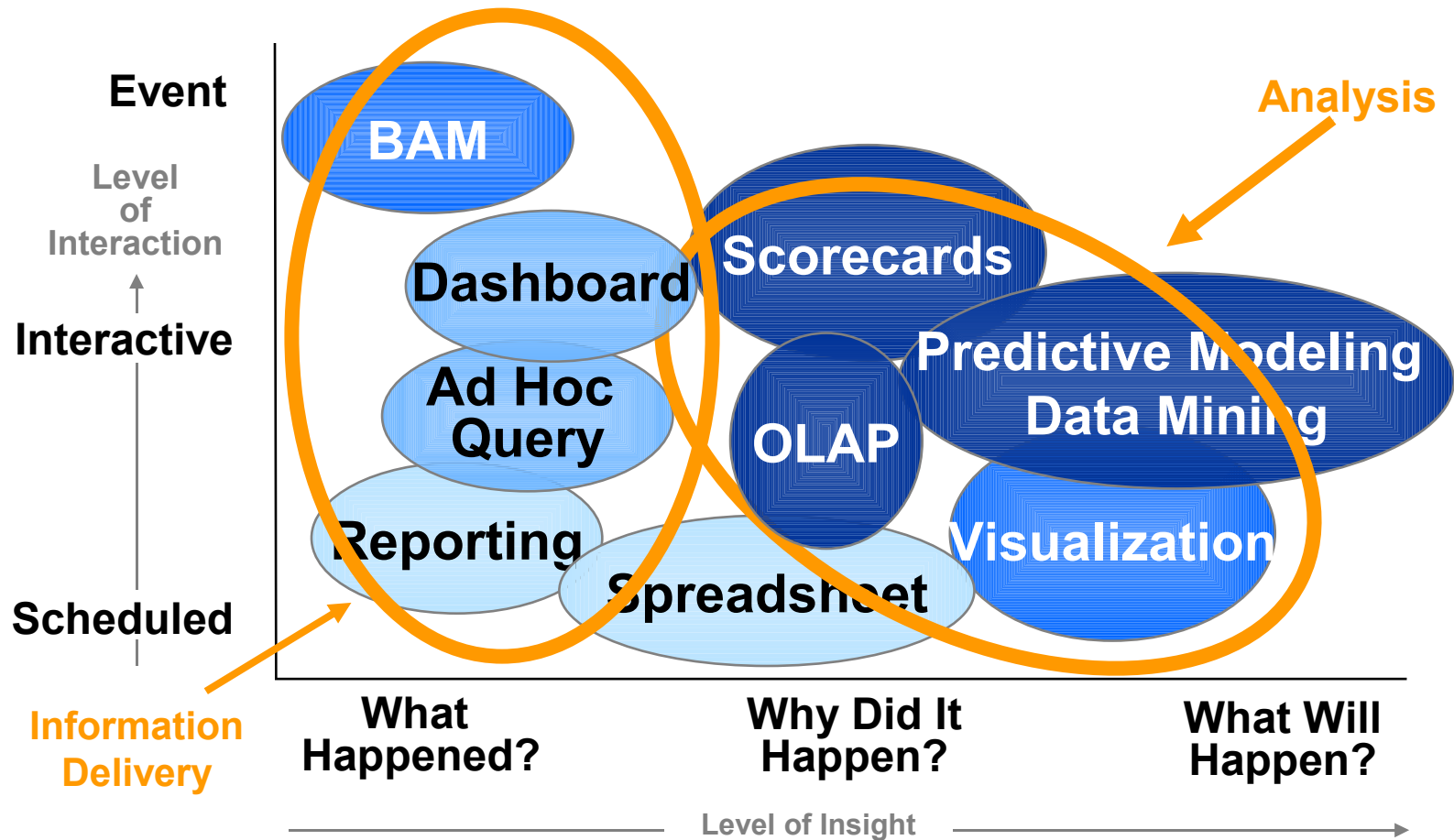
Different Organizations Will be at Different Places on the Maturity Curve
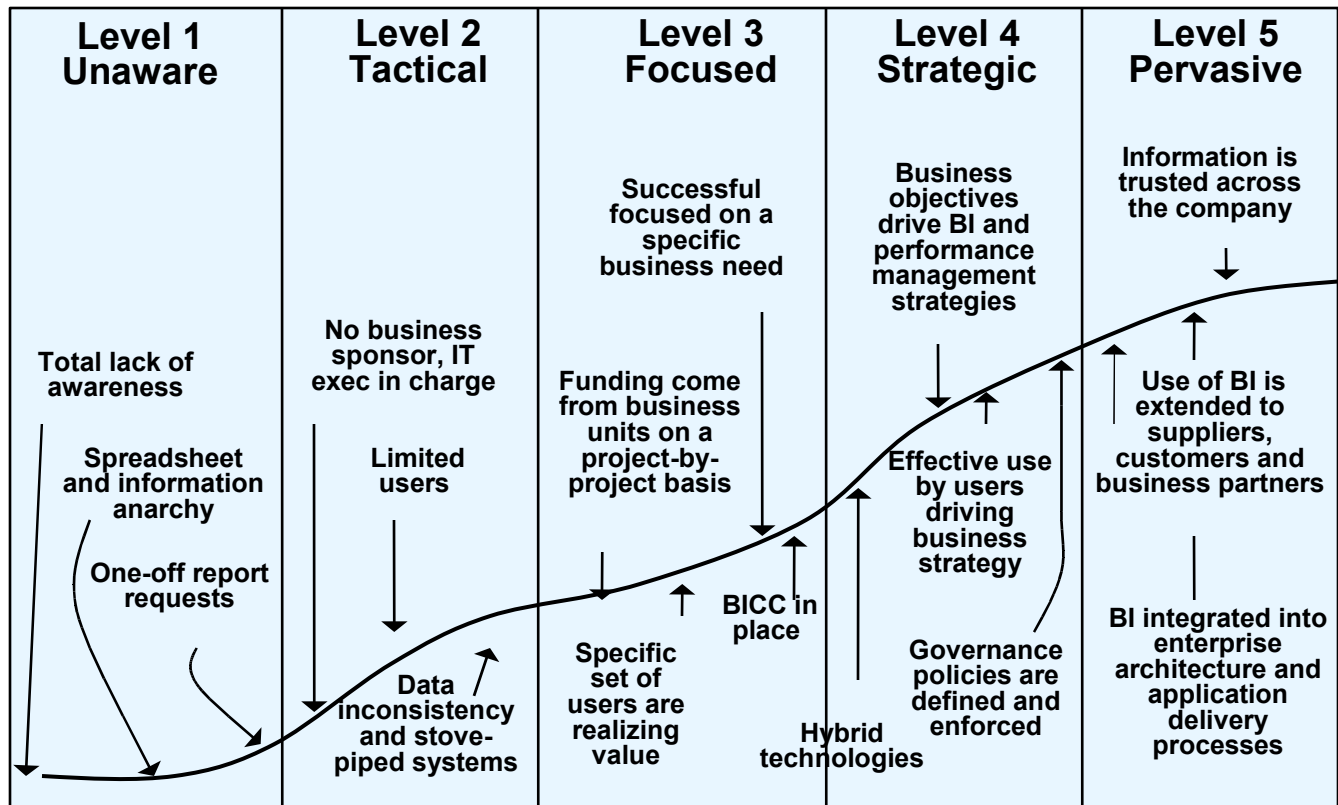
| Level 1 Unaware	Level 2 Tactical	Level 3 Focused	Level 4 Strategic	Level 5 Pervasive
Total lack of awareness	**No business sponsor, IT exec in charge**	**Successful focused on a specific business need**	**Business objectives drive BI and performance management strategies**	**Information is trusted across the company**
Spreadsheet and information anarchy	**Limited users**	**Funding come from business units on a project-by-project basis**	**Effective use by users driving business strategy**	**Use of BI is extended to suppliers, customers and business partners**
One-off report requests	**Data inconsistency and stove-piped systems**	**Specific set of users are realizing value** / **BICC in place**	**Governance policies are defined and enforced** / **Hybrid technologies**	**BI integrated into enterprise architecture and application delivery processes**

Portfolio rationalization and BI platform standardization have the highest priority in many organizations; however, actual migration is cumbersome.
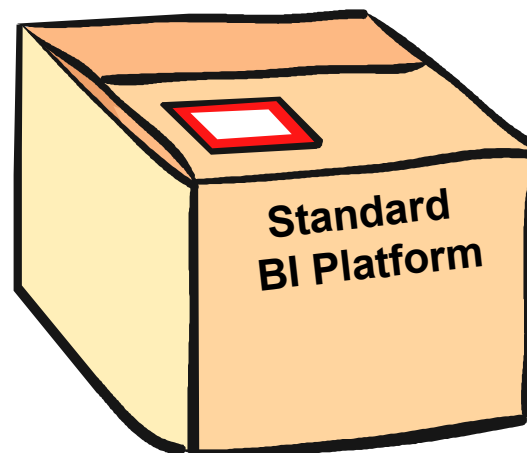
BI Trend No. 2

BI is increasingly deployed to large numbers of users, including users outside the firewall, such as partners, suppliers or customers.
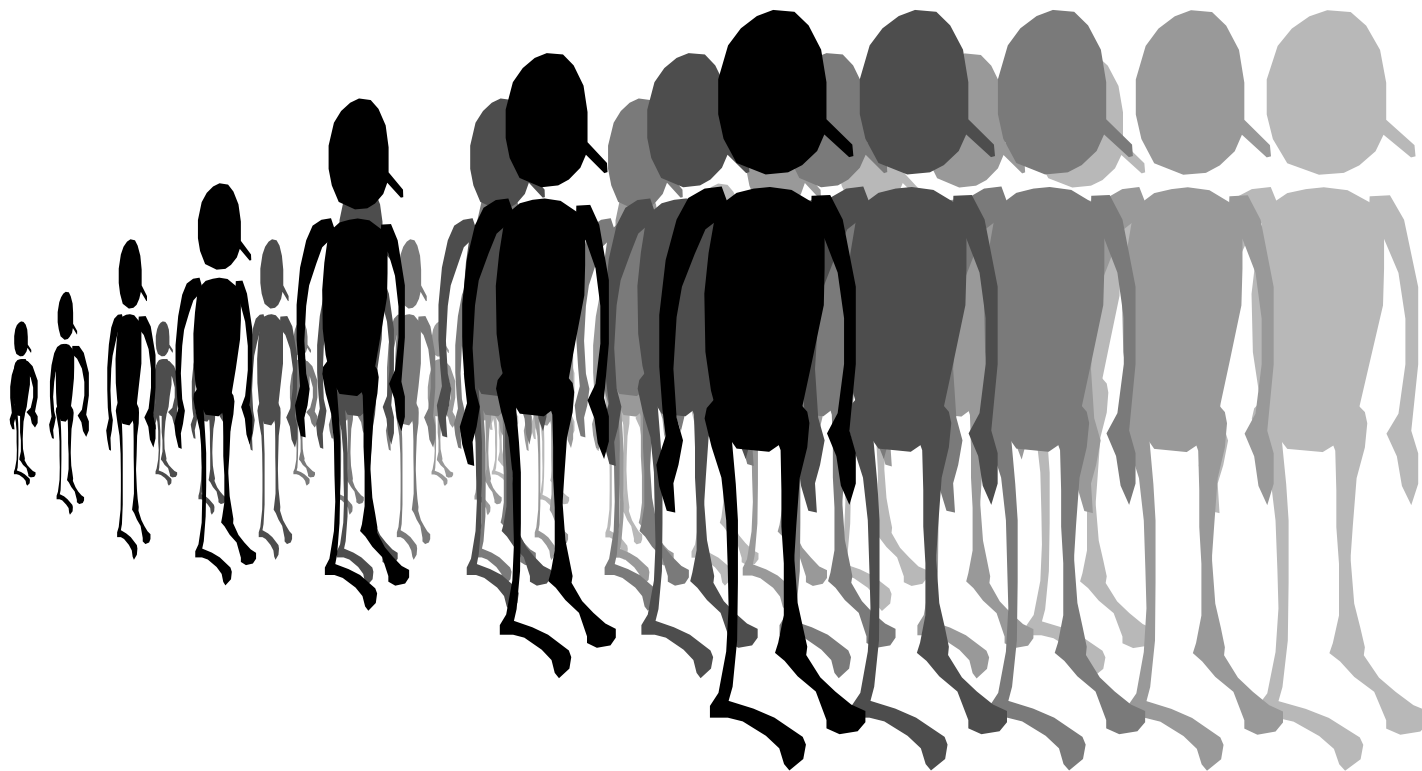
BI Trend No. 3

There is a marriage between enterprise applications and business intelligence, with vendors providing more integrated solutions.

BI

ERP

Gartner®

Organizations are increasingly using predictive analytics for planning, forecasting and other future-oriented requirements.

Securing Your BI Investment

Governance

Maintenance

Quality

Stewardship

Training

Usability

The Rise of the Powerhouses

- **One-Stop Shopping**

- **Market Share**

- **Battle for the Stack**

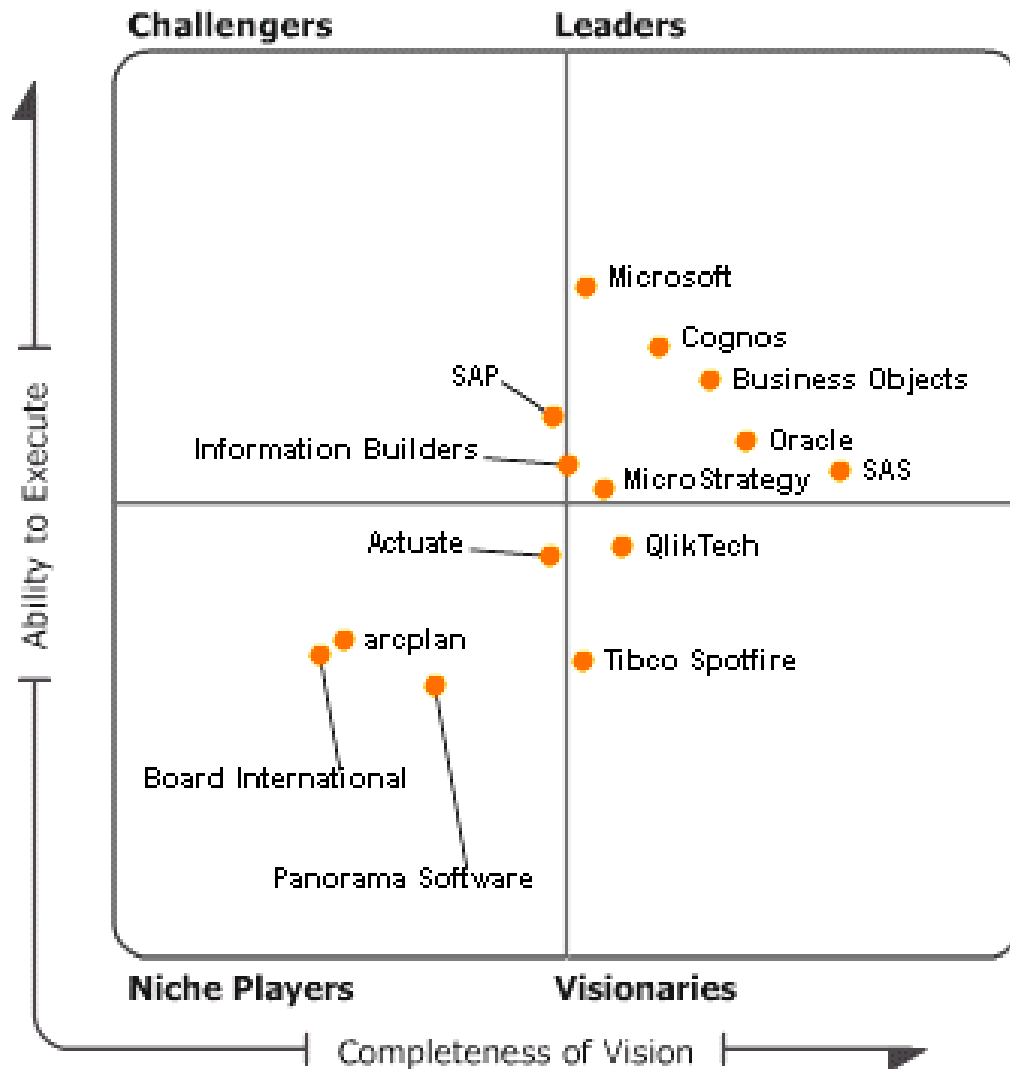- **Co-opetition will continue**

- **Innovation Yields to Integration**

Game Over?

Not Yet.

Singled-Out or Small Herd?

...and what about those?

Magic Quadrant — Business Intelligence Platforms, 2008

Challengers | Leaders

Ability to Execute

- Microsoft
- Cognos
- Business Objects
- SAP
- Information Builders
- Oracle
- SAS
- MicroStrategy
- Actuate
- QlikTech
- arcplan
- Tibco Spotfire
- Board International
- Panorama Software

Niche Players | Visionaries

Completeness of Vision

As of January 2008

Gartner®

The end of BI as we know it …

… but the beginning of BI as it should have always been.

… Thank You.

Gartner®