

# International Data Corp. Dan Vesset

IDC's program vice president of Business Analytics, explains how organizations are bringing new insight to operational users by expanding the scope of business intelligence.



**Information Builders:** What are the current barriers to spreading business intelligence (BI) beyond its traditional usage among professional analysts and power users?

**Vesset:** Some of the tactical inhibitors to pervasive BI include the high price of the software, unwillingness to share data among business units, restrictive software licensing options, lack of executive mandates and management support, and inadequate internal IT resources. The order I listed these inhibitors is based on a recent survey IDC conducted of 1,140 organizations across 11 countries.

Strategically, an even more important barrier is the lack of a clear understanding of the definition of pervasive BI. You can't manage what you can't measure. It's difficult for many organizations to

prioritize BI investments because they are not clear where to allocate such investments. Too often organizations equate the spread of BI only with the spread of query and reporting software. Based on this definition, one could argue that most organizations have already achieved pervasive BI through the use of a combination of spreadsheets, packaged BI tools, and operational applications with embedded reporting functionality. We find that this is actually not the case.

**Information Builders:** What is IDC's definition of pervasive BI?

**Vesset:** IDC recently concluded a research project entitled *Improving Organizational Decision-Making Through Pervasive Business Intelligence: The Five Key Factors That Lead to Business Intelligence Diffusion*, we identified six key

indicators of pervasive BI: degree of internal use, degree of external use, percentage of power users, number of domains or subject areas, data-update frequency, and analytical orientation.

### **Information Builders: What are the key business drivers of pervasive BI?**

**Vesset:** There are many operational reasons why organizations invest in BI solutions, including the need to identify cost-cutting opportunities and methods to retain customers, optimize the supply chain and the allocation of staff and assets, and predict potential future outcomes of specific actions. But we wouldn't anticipate organizations investing in BI and analytics unless there was some belief that they would eventually benefit from it. Therefore, we think that the biggest influencer of pervasive BI is the increasing evidence that organizational performance and competitiveness can benefit from better and more pervasive BI and analytics.

### **Information Builders: What are some best practices for moving along the path to pervasive BI?**

**Vesset:** The best practices center around the five key factors that affect pervasiveness of BI. For example, organizations that are further along the path toward pervasive BI have adopted a formal performance management methodology, thus expanding accountability within the organization by deploying various financial and non-financial metrics. Similarly, these organizations have established data governance committees and policies as well as extended training efforts to include training both on the meaning of data, metrics, and KPIs as well as BI software. The software itself should

address the specific needs of various user groups by enabling easy information access as well as exploratory query and analysis. The technology needs to include data integration and data warehousing, production reporting, dashboarding, ad hoc query and multi-dimensional analysis, data mining, and statistics tools as well as packaged analytic applications. These components don't have to come from a single vendor, but should be part of the overall technology portfolio for organizations looking to expand BI.

### **Information Builders: What are BI vendors doing to make business intelligence more pervasive in our everyday work habits?**

**Vesset:** There are four key trends by vendors that fall into different segments of the market. The first is the continued improvement of ease of information access through more intuitive user interfaces. Many users feel information access should resemble the experience they have on the Web using various search engines. Second is the addition of more advanced analytics within the broader BI and analytics product portfolio. This trend also seems to be accompanied by more data visualization features and components for optimizing model management. Third is the growing focus on extending data integration functionality from batch ETL to real-time data integration. Fourth is the significant change in the price/performance characteristics of data warehouses over the past five years or so.

### **Information Builders: Are there risks associated with delivering business information to so many different types of users?**

**Vesset:** There are certainly specific organizational policies and

government regulations that need to be met with when expanding the use of BI solutions. Other than obvious security and privacy issues, intra-group and inter-group information sharing should be viewed as a positive dimension of expanding the use of BI solutions. The technology needs to be able to support role-based information access. This is where the importance of a strong understanding of end user needs comes into play as well as the need for governance bodies and BI competency centers. There are some users who need a sandbox for ad hoc information access to enable discovery of new insights from the data. These users represent a portion of what we would define as power users. The rest of the operational users are usually aligned with specific business processes and only need information that is relevant to their daily tasks.

### **Information Builders: What do analysts mean by the terms "contextual insight" and "guided analysis"? Do these activities make BI more pervasive or accessible?**

**Vesset:** Part of expanding the use of BI functionality to operational and customer-facing employees is to include that functionality within transaction-processing applications for processes such as ERP, CRM, or SCM. These user groups don't have the need or the time to analyze data, but they can certainly benefit from the output of BI systems and analysis done by dedicated analysts. By exposing business-process-specific KPIs within operational applications, organizations can provide front-line employees with contextual insight. For example, an alert or KPI on a dashboard or within a report can be accompanied by suggested next steps that are developed based on previous analysis. 🌀