CONSULTING SERVICES

POINT OF VIEW

GROWING PAINS: FIRMS STRIVE FOR BUSINESS INTELLIGENCE MATURITY

Author: Michael Wolk, Partner, SunGard Consulting Services

Business intelligence (BI) is gradually coming of age as more and more companies bring together data, information technology tools and knowledge to improve their businesses. But while BI projects are certainly gaining a foothold in firms’ strategic development, particularly on a tactical level, a fully mature, consistently enterprise-wide approach to BI looks some way off.

By achieving a level of excellence in BI maturity, companies are in the strongest position to transform the analysis of large volumes of data into actionable business information. To assess levels of maturity across BI activity, SunGard Consulting Services conducted a global business intelligence survey that found in order to remain competitive, companies around the world need to extend their BI capabilities far beyond their current largely basic state.

One significant obstacle to BI maturity is the prevalent tendency to report on activities reactively. Having experienced drawbacks with periodic information delivery providing management with mainly historical, after-the-fact analysis, firms are now increasingly seeing value in exploring a proactive approach to BI – using it to answer “what could happen?” rather than simply “what happened?”

BI maturity also depends on the tools and analytics that organizations have at their disposal. Reliance on spreadsheets and manual data manipulation will limit their ability to conduct proactive analysis and deliver data rapidly. Yet, as a proven, relatively inexpensive and easy-to-manage tool, most firms persist in using spreadsheets for BI – or, at best, applying static reporting tools to a standard set of data sources. Companies typically migrate towards robust data warehouses or other BI tools when the amount of data becomes too large or complex for spreadsheets. Not only prone to manual errors, spreadsheets can also cause time-consuming confusion when, for example, a user is trying to find the source of a calculation error.

That being said, the survey shows that use of key performance indicator (KPI) scorecards with interactive reporting capabilities is growing, enabling users to drill down into and “slice and dice” data. Getting to that data faster is also becoming a priority. But as well as speed, BI maturity is about collaboration: requiring IT and business teams to work closely together on BI approaches – and to jointly explore new technologies as a means to best meet specific BI requirements.

Overall, the BI maturity survey revealed encouraging steps in the right direction and much room for improvement:

♦ More than 50% of respondents indicated a “basic” level of BI maturity with only 20% using proactive “what could happen” analysis of operational data to improve decision-making.

♦ Despite a growing trend towards KPI dashboards, 45% use manual tools to extract and massage data, and present results in spreadsheets.

♦ Only 29% of respondents indicated they use a proactive approach in which IT follows technology trends in tools and processes to strengthen business operations and performance through BI tools.

♦ Just more than half of respondents (53% in total) have either a tactical approach with little cross-department coordination (28%) or authorize and manage their BI projects at the department level (25%).

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Starting small and tactical then scaling projects to meet department and enterprise goals certainly appears to be a favored BI approach among today’s senior executives. Nonetheless, it is clear that BI is gaining in strategic, enterprise-wide importance. Critical to the success of an enterprise-level BI strategy is data stewardship, making accountability and responsibility for data accuracy integral components of a company’s data architecture and BI capabilities. Supporting master data management and quality, data stewards help ensure that data quality processes are designed into applications instead of being applied reactively.

With nearly a quarter of surveyed companies already developing enterprise-wide BI goals for their organizations, it is more important than ever to support their objectives with the right capabilities. According to survey responses, more than half of businesses are still in the early stages of growth when it comes to BI – demonstrating basic abilities to obtain operational data and information, use tactical IT services and conduct basic BI project management.

However, basic capabilities are a starting point, and for most businesses, should provide a sound foundation on which to build and hone BI value in their organization. Companies can make a significant positive impact on their bottom line by implementing the right BI solutions. Assessing your readiness for BI, including BI maturity levels, is an important starting point for defining an achievable roadmap of incremental value-added initiatives, which will ultimately help improve performance levels and achieve long-term business goals.

For more insights on business intelligence and proactive, investigative reporting techniques, read SunGard’s report, “Assessing Your Firm’s Business Intelligence Maturity.”

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SunGard Consulting Services helps financial services, energy and media companies solve business problems by managing their complex technology and operational needs. Focused on large scale data and process management, custom application development and systems integration, we combine business and technology consulting and managed services to deliver innovative custom solutions. We help our customers capitalize on and manage the consequences of business, technology and regulatory change.

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