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Sustainable
Data
Intelligence

BUSINESS INTELLIGENCE STANDARDIZATION

EXECUTIVE OVERVIEW

BUSINESS INTELLIGENCE STANDARDIZATION

This paper gives an overview of the advantages of implementing business intelligence (BI) standards. Learn how successful organizations have standardized on, and benefited from BI solutions from SAP – and why you should join them.

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ESTABLISHING COHESIVE BI STANDARDS

In today's organizations, business intelligence initiatives have become one of the top technology spending priorities. Why? Because BI projects:

- ✍ Leverage existing information investments
- ✍ Are relatively low cost and low risk
- ✍ Deliver proven high return on investment (ROI)¹

Because of the relatively low cost of entry and high ROI, the BI market continues to show continued strong growth.² In turn, this means that most large organizations are in the process of initiating new BI projects.

However, despite their enthusiasm, few organizations today have a comprehensive enterprise BI strategy or clearly defined BI standards. As projects continue to proliferate, they face a growing patchwork of disparate BI technologies, and the consequences become increasingly visible. Challenges include:

- ✍ Rising redundant costs in deployment, maintenance, and training
- ✍ Increased information inconsistencies
- ✍ Frustrated end users who cannot get timely answers to their business questions

By reducing the number of BI standards in your organization, you can achieve significant cost savings, greater control over information, and better alignment with your business users. An enterprise BI solution helps you implement cohesive BI standards that lead to increased competitive advantage. Implementing such BI standards requires a pragmatic, phased approach that takes into account the organizational realities of large organizations, and the business value of your existing BI applications.

"Starting an active program to standardize on BI tools in your company is critical, if you are to achieve strategic deployment and associated cost savings in the next three years."

"Organizations Must Standardize and Consolidate BI Tools," Howard Dresner, Gartner Inc., April 2005

¹ A typical business intelligence project has an average ROI of over 430%. IDC, *The Financial Impact of Business Analytics*, 2002.

² The BI market is estimated to reach \$5.7 billion in 2009. IDC, *From Data Integration to Information Delivery: Latest Trends in Business Analytics*, 2004.

THE IMPORTANCE OF BI STANDARDIZATION

Today's organizations struggle with wasteful duplication across different BI products, data inconsistencies, and frustrated end users. And the problem gets worse each day as new uncoordinated BI projects sprout up across the organization.

Most large organizations have already implemented IT standards – for everything from databases and transaction automation systems to data integration and data warehouses. Such initiatives have contributed to productivity improvements and cost savings. BI standardization is the next big opportunity for organizations to streamline costs and get a greater return on their information assets.

Standardizing on BI software can deliver similar economies of scale as IT standardization efforts. By providing better business insights that hone your decision-making prowess across your entire organization and enhance competitive advantage, a cross-organization BI infrastructure can provide excellent returns. Rather than focusing on redundant skill sets, integration points, and project requirement analyses, organizations that implement BI standards can focus on how their inherent strengths, and how to better use BI and capture best practices.. The results are new revenue opportunities, improved cost visibility, and better risk management.

Lower Costs

Reducing the number of supported BI tools in your organization results in:

- ✂ **Lower software costs** through more coordinated purchasing and contracts
- ✂ **Lower support and administration costs**
- ✂ **Savings in time and money** spent on BI evaluations
- ✂ **Lower costs of user training**
- ✂ **Faster ROI** for BI projects

More Control and Fewer Data Inconsistencies

Having fewer standard systems for accessing business information results in:

- ✂ **More reliable data** for decision makers
- ✂ **Easier comparison of information** across different departments, to get “one view of the truth”
- ✂ **Easier sharing of consistent information** between different user groups, and with customers, partners, and suppliers
- ✂ **More coordinated security**, which helps minimize unauthorized data access

Better Alignment with Business Users

BI is often an area of friction between information providers in IT and business users, who need IT-provided data to do their jobs. By allowing end users to connect goals, metrics, and people across the enterprise, an enterprise BI standard helps organizations manage and optimize information flows like other business processes, leading to improved alignment, transparency, and performance. In particular, a standard interface for information access gives:

- ✂ **More timely answers** to users' business questions
- ✂ **Easier cross-data analysis** to reveal new revenue opportunities
- ✂ **Improved cost visibility**
- ✂ **Better risk management**
- ✂ **Increased competitive advantage** by better exploitation of the benefits of enterprise BI

The Practical Implementation of BI Standards

Many organizations are already convinced of the benefits of standardization but are unsure how to turn that conviction into reality. After all, simply declaring a particular BI vendor as “the standard,” or signing a volume purchasing agreement, is unlikely to bring the benefits that you’re looking for. Based on customer and analyst research, there are a number of recommended steps in order to introduce effective BI standards within your organization.

Decide If You Are Ready for BI Standardization

Successful implementation of BI standards depends on far more than just the technical aspects of the project. Grouped under the notion of the “BI maturity” of your organization, requirements include:

- ✍ A track record of successful departmental BI implementations
- ✍ A minimum level of trust and respect between IT and the business units
- ✍ A history of other successful standardization efforts within the organization
- ✍ A prevailing culture of information sharing, rather than hoarding

A careful review of these factors may indicate steps that an organization should take before launching a standardization project.

“Through 2008, companies resisting the need to consolidate BI tools will be unable to strategically deploy BI and will incur 50 percent more cost for each redundant tool (0.8 probability).”

“Organizations Must Standardize and Consolidate BI Tools,” Howard Dresner, Gartner Inc., April 2005

Aggregate Existing BI Deployment

Changing the information culture of your organization may be an unrealistic goal in the short term. Still, there are a number of immediate and pragmatic steps that any IT organization can take to prevent increasing costs of BI fragmentation:

- ✍ **Perform an audit of existing BI projects.** The first step is to calculate the costs and benefits of each existing BI project. In the case of large organizations, with decentralized BI, your vendors may be a useful resource to help you find existing deployments around the globe.
- ✍ **Build a case for standardization.** Based on your research, you can then build a strong business case for BI standardization, in order to ensure adequate project resources.
- ✍ **Develop unambiguous criteria.** A key step is to define a standard set of non-overlapping tools for the BI needs of the organization. These criteria used to make the choices should be explicit, firmly grounded in the business needs of the organization, and agreed upon by the key users of BI.
- ✍ **Start enforcing the standard.** Your choice of standards should be enforceable, using mechanisms such as formal project reviews or budget incentives.

Build a Long-Term Business Intelligence Strategy

To ensure that you receive the full benefit of BI, and to avoid the slow degeneration of your chosen standards, it is essential to have a long-term BI strategy:

- ✍ **Build trust between IT and business users.** BI stands at the intersection of business and IT. Often these teams have a history of mistrust that can prevent the successful implementation of any new BI strategy.
- ✍ **Implement a BI competency center.** A BI competency center is recommended in order to develop and share BI best practices throughout an organization. Ideally, a businessperson should head the center, and it should report to the core business departments in a collaborative environment with IT and the other departments.

- **Align BI initiatives around a framework.** One of the tasks of the competency center is to take a step back from the existing BI deployments, and take a more global look at how BI should map to the technical, functional, organizational, and business needs of the organization.
- **Implement a BI methodology.** A formal BI implementation methodology ensures that BI projects bring the promised benefits. It should detail the roles of different groups (IT, business users, technical support, etc.), and cover both the technical and user-oriented phases of the project.
- **Create an acquisition/deployment process.** The competency center must be financed. Care should be taken so that it does so in a way that does not act as a disincentive to the business use of BI.

“Most Global 2,000 companies have between five and 15 separate reporting and analysis solutions in use, placing a strain on IT resources and calling into question the integrity of the data in any one report.”

“Business Intelligence Driven By Compliance, Standardization, And Performance Initiatives,” Keith Gile, Forrester, April 2005

Sell the Strategy

Poor or inadequate communications is the biggest cause of failure in implementing BI standards. This can be avoided with the following steps:

- **Monitor and communicate the implementation plan.** Organizations should constantly evangelize the benefits of BI and of having BI standards.
- **Avoid common BI project challenges.** Many project problems are predictable in advance, and can be instead be turned into communication opportunities.
- **Conduct formal reviews.** Organizations should audit the BI center on a regular basis to ensure that it has been able to maintain the trust of the business organization, and that the processes and methodologies put in place still meet the needs of the end users

Choosing SAP BusinessObjects Solutions as a Standard

For over a decade, SAP BusinessObjects BI software has focused on the needs of organizations standardizing on enterprise-wide business intelligence. Reasons to consider SAP as your BI standardization partner include:

Prominent Position in the Industry

SAP BusinessObjects BI software is a leading BI solution, with over 30,000 customers and over 400 OEM partners. SAP, Microsoft, and other key enterprise software providers use our BI products. Consultants, strategic integrators, and potential employees already know our products. All of which means that our products are ready to integrate with your existing systems, at a lower cost than BI alternatives that are less well known.

Comprehensive Set of Products and Data Access

SAP BusinessObjects BI solutions cover all your:

- ✍ **Functional needs** – from operational reporting all the way to dynamic dashboards
- ✍ **User needs** – from the factory floor, to the financial analyst, to the executive suite
- ✍ **Data needs** – from transactional systems, to data warehouses, to real-time information feeds, and OLAP servers

Extensive Standardization Experience

SAP has significant experience in helping organizations around the world implement BI standards, at companies in industries as varied as pharmaceutical, energy, telecom, and consumer packaged goods, among others. We have dedicated consulting teams that have helped organizations like yours successfully implement BI standards, working with you to get buy-in from the business units and avoiding the typical challenges faced by BI projects.

Your Installed User Base

Throughout your organization, you probably have more licenses of our BI products than of any other BI software, and most of your existing operational and management reports and dashboards are probably in SAP BusinessObjects BI software formats. This means you may be much closer to realizing the benefits of standardizing on our technology than you realize.

Conclusion

Reducing the number of standard BI tools in your organization can result in cost savings, more control over information, and better alignment with your business users – and increased competitive advantage by fully exploiting the benefits of enterprise BI.

With its robust SAP BusinessObjects BI solution offerings, SAP is well placed to be your partner in implementing BI standards.

For More Information

To learn more about SAP BusinessObjects business intelligence solutions from SAP, visit our Web site at www.sap.com/sapbusinessobjects.

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