Readiness for BI: Toward the BI Competency Center

Ted Friedman, Frank Buytendijk, Fabrizio Biscotti

Success with business intelligence requires more than tools and technology. With the proper planning and skills, enterprises can evolve toward a BI competency center and ensure success with BI initiatives.
WHAT YOU NEED TO KNOW

Before embarking on a data warehousing and business intelligence initiative, enterprises should complete a self-assessment to determine their degree of readiness. An honest evaluation of the available skills, levels of activism and culture in the organization is critical to understanding the challenges ahead and the likelihood of success. When the enterprise demonstrates a proper mix of these key ingredients, formation of the business intelligence competency center becomes feasible and represents an opportunity to ensure ongoing benefits from BI.

ANALYSIS

Why Technology Is Not Enough

Technology is no longer the biggest challenge for implementing business intelligence (BI). Although there are still many technology challenges, two other issues are more glaring: the lack of analytical skills and the manner in which BI is organized in the enterprise. Return on investment (ROI) comes from the consumption, and not merely the delivery, of BI. Although it is difficult to collect, integrate and ensure the quality of data, having the analytical skills to make sense of the data and applying those insights to the business is extremely important. Analysis must then be translated into action.

Almost every data warehouse project has the same objective: one version of the truth. However, what is data integration worth if there are still many ways — most of which are flawed — to interpret the data? Many enterprises that are successful with BI and have reached high ROI have combined the technological, analytical and business skills in one group, the BI competency center (BICC; see "The Business Intelligence Competency Center: An Essential Business Strategy"). The goals of the BICC include driving adoption of BI in the business and making positive business change as a result of the insights gained.

Organizational Maturity With BI: The BICC

The challenging economy, increasing competition and ever expanding data volumes are driving the need for analytical skills in enterprises, but supply of these skills falls short of demand. Because analytical skills are scarce and it is expensive to place BI specialists throughout the organization, enterprises should leverage BI skills as much as possible by consolidating the specialists into one team: the BICC. The BICC creates efficiencies and maximizes the ROI from BI.

In many cases, various departments in the enterprise will be working on the same issues, often duplicating each others' efforts. The BICC is in a position to analyze all parts of the business, and thus spot connections between these various efforts. For example, the marketing department that performs a customer profitability exercise can leverage many of the lessons learned from activity-based costing, a similar concept that usually resides in the finance department. The specialists of the BICC guide the users in self-service (to avoid the BICC becoming a bottleneck), perform complex ad hoc analyses and actively standardize metadata, methodologies and tools throughout the enterprise.

The Road to the BICC Begins With Self-Assessment

A number of key characteristics must be present in the enterprise to maximize BI success. Gartner's BI activism model is designed to help enterprises assess BI readiness and identify the presence of critical BI requirements (see "BI Activism: Sharing Goals Is an Enterprise Within Itself").
When users and the IS organization agree on the benefits of BI, there is a good chance of success. However, if the groups are not aligned and have different levels of enthusiasm, BI is unlikely to deliver significant benefits or, worse, projects will fail. A self-assessment of IT and user BI "activism" will help the enterprise determine the probability of BI success, before significant investments are made.

To assess the potential for success of BI in your organization, rate the degree to which each statement applies to your organization (see Table 1 and Table 2).

**Table 1. Scoring IT BI Activism**

<table>
<thead>
<tr>
<th>IT BI Activism</th>
<th>Score*</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT understands the need for and potential value of BI</td>
<td></td>
</tr>
<tr>
<td>IT has the skills and resources to deploy BI</td>
<td></td>
</tr>
<tr>
<td>IT is taking responsibility for setting up a data warehousing infrastructure</td>
<td></td>
</tr>
<tr>
<td>IT is a driver and catalyst for change within the business</td>
<td></td>
</tr>
<tr>
<td>IT is respected and has a history of success</td>
<td></td>
</tr>
<tr>
<td>Total (IT Activism)</td>
<td></td>
</tr>
<tr>
<td>* Score:</td>
<td></td>
</tr>
<tr>
<td>Does not at all describe my organization and its behavior = 0</td>
<td></td>
</tr>
<tr>
<td>Somewhat describes my organization and its behavior = 1</td>
<td></td>
</tr>
<tr>
<td>Very much describes my organization and its behavior = 2</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Gartner Research (July 2003)*

**Table 2. Scoring User BI Activism**

<table>
<thead>
<tr>
<th>User BI Activism</th>
<th>Score*</th>
</tr>
</thead>
<tbody>
<tr>
<td>User community understands the need for and potential value of BI</td>
<td></td>
</tr>
<tr>
<td>All IT initiatives are approved, funded and championed by the user community</td>
<td></td>
</tr>
<tr>
<td>User community pulls IT to deploy new technology</td>
<td></td>
</tr>
<tr>
<td>Users have an active role in technology selection and deployment</td>
<td></td>
</tr>
<tr>
<td>Business seeks active partnership with IT</td>
<td></td>
</tr>
<tr>
<td>Total (User Activism)</td>
<td></td>
</tr>
<tr>
<td>* Score:</td>
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*Source: Gartner Research (July 2003)*

Figure 1 is based on Gartner’s BI activism model. To determine where your organization fits, find the intersection of the row and column defined by your respective IT BI activism and user BI activism scores.
Figure 1. Readiness for BI Grid

Results

You are in Section A — BI? What’s that?

Your IS organization and end users have a low level of activism. BI cannot succeed. In this situation, management information systems reporting is the norm, inertia prevents any significant new initiatives because users are uninterested in BI, and the business is run without the benefit of a complete perspective. If there is a BI tool in place, it will probably be the least-expensive tool available in the market.

Actions to take:

- Do not initiate significant investments in strategic BI
- Educate the IS organization and the business on the potential benefits and value of BI
- If you are happy with the situation, concentrate on delivering simple and efficient management reporting on a case-by-case basis

You are in Section B — Wake the users up!

The IS organization stands alone in trying to promote BI to an uninterested end-user organization. BI will fail because IT-induced solutions might not necessarily meet user requirements. Users fail to use IT-provided solutions, technology vendors prevail and limited or no business benefits at all are realized.

Actions to take:
• Assess why this situation exists and why the IS organization "lost" the users somewhere "down the road"

• Attempt to make the connection between BI and strategic business objectives

• If IT "gets it" but the users don't, execute small pilot projects to raise awareness of senior management

• Seek out a high-level sponsor who understands the value of BI

• If no progress is made, dare to stop!

You are in Section C — Where is IT?

User ambition exists; however, there is no active participation of the IS organization. Users will buy their own applications, which could be fine in the short term, but they will create problems of scalability as the business grows and as the business process becomes more complex. Issues of coordination, cost and reuse will grow as the IS organization attempts to support the multiple, disconnected solutions deployed by the user community. It is fine in the short term, but not good in the long term.

Actions to take:

• Focus on BI infrastructure, not only applications, and tightly control tool selection to minimize redundancy

• Use influence of senior management to put BI on the CIO's agenda

• If IT still will not participate, consider outsourcing BI (see "Using an External Service Provider to Build a BICC")

You are in Section D — You are in BI heaven!

Your organization has the most balanced situation for BI. The IS organization and end users have an equal amount of ambition or activism, and work together to deliver valuable and sustainable BI solutions to the enterprise.

Actions to take:

• Spread the news of your success and share the success between the business and IT

• Start a BICC where IT and business skills are blended

• Seek ways to turn BI into a revenue stream ("insight as the business") — for example, share information with customers, suppliers and other external stakeholders

• Don't be the victim of your own success, and stick to a small portfolio of tools and control BI implementations to ensure consistency and leverage

Key Issues

How will enterprises determine their readiness and organize themselves to ensure optimal value from their business intelligence initiatives?

What strategies will enterprises pursue to ensure the success of the business intelligence competency center?
Acronym Key

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
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<tbody>
<tr>
<td>BI</td>
<td>business intelligence</td>
</tr>
<tr>
<td>BICC</td>
<td>business intelligence competency center</td>
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<tr>
<td>ROI</td>
<td>return on investment</td>
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This research is part of a set of related research pieces. See “BI Competency Center Is Core to BI Success” for an overview.

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