BI
STRATEGY

SAP

EXECUTIVE SUMMARY

Business Intelligence (BI) continues to be a top investment priority for CEOs and CIOs alike. Companies are overwhelmed by ever- increasing volumes of data accelerated by mobile devices and social media. IT organizations are under siege to deliver meaningful analytics and enable business users with self-service tools and access to trusted data.

In the Gartner Group 2013 CIO survey, Analytics & Business Intelligence was ranked #1. In the CEO survey, business analytics was ranked as the most important area of investment, with 71 percent of CEOs expressing interest in increasing spending.

TOP 10 BUSINESS PRIORITIES	RANKING
Increasing enterprise growth	1
Delivering operational results	2
Reducing enterprise costs	3
Attracting and retaining new customers	4
Improving IT applications and infrastructure	5
Creating new products and services (innovation)	6
Improving efficiency	7
Attracting and retaining the workforce	8
Implementing analytics and big data	9
Improving business processes	10

TOP 10 TECHNOLOGY PRIORITIES	RANKING
Analytics and business intelligence	1
Mobile technologies	2
Cloud computing (SaaS, IaaS, PaaS)	3
Collaboration technologies (workflow)	4
Legacy modernization	5
IT management	6
CRM	7
Virtualization	8
Security	9
ERP Applications	10

SaaS = software as a service; IaaS = infrastructure as a service; PaaS = platform as a service
Source: Gartner Executive Programs (January 2013)

Organizations can ensure that their data assets, technologies and people are maximizing these resources for improved business performance through with a strategic, programmatic approach to BI that includes five key areas:

Objectives	Business Needs	Business Benefit	Technology	Organization
Background and Purpose	Summary of BI Needs	Information Categories	Information Categories	Governance Structure
Current State and History	Envisioned To-Be State	Expected Benefits - Future State KPI	Architecture and Strandars	Program Management
BI Objectives and Scope	Priorities and Alignment	Business Case	BI Applications	Roadmap and Milestones
				Measurement
				Education/ Training
				Support

SAP can help you understand these key elements so you can define and deliver a BI Roadmap with milestones to ensure a strategic BI program that will boost productivity, accelerate key business processes, and power better, more relevant decisions across your organization through a BI Strategy Assessment and Workshop.
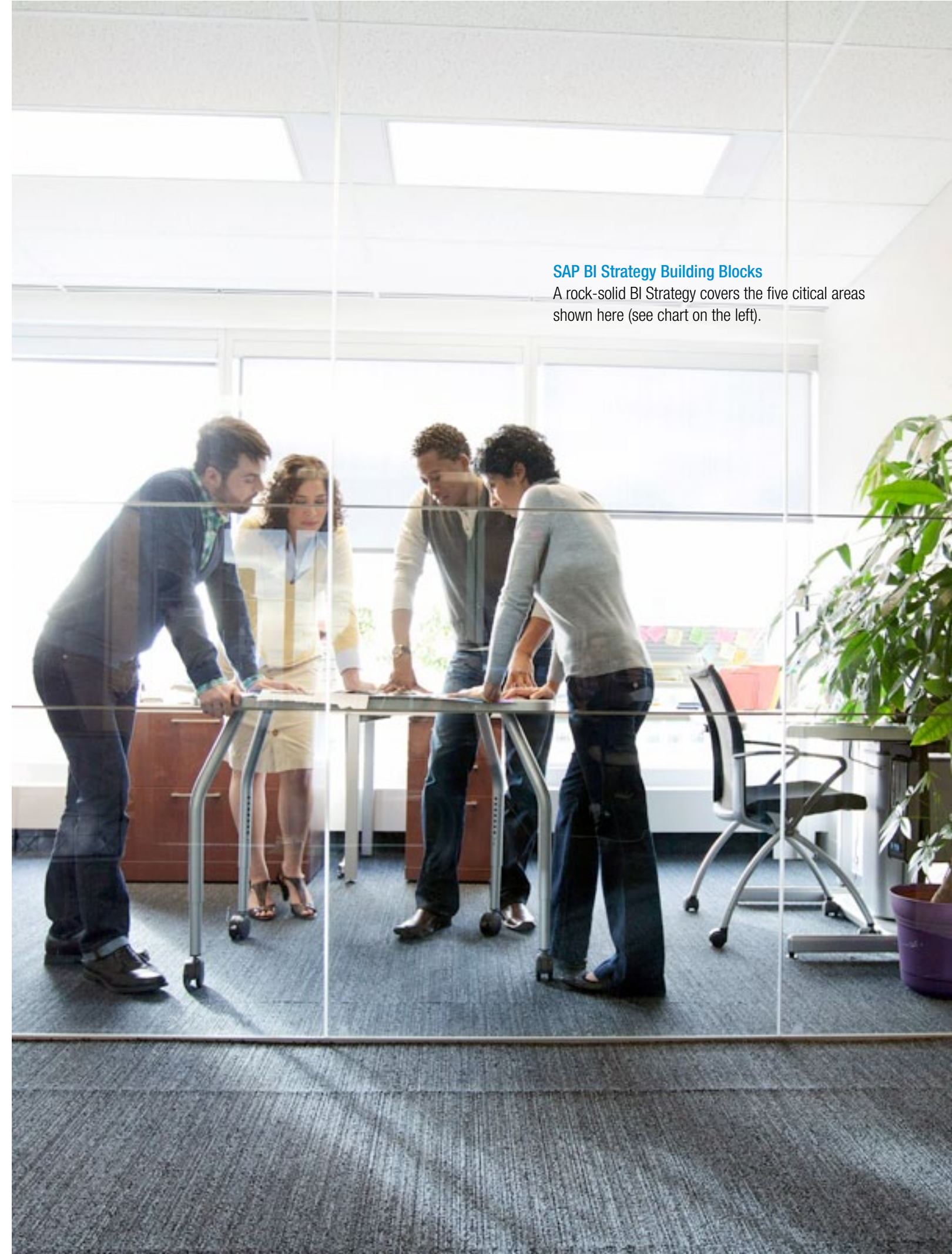
WHAT IS A BI STRATEGY?

There is confusion over what a BI strategy actually is. When asked about their BI strategy:

27%
Have a clearly defined BI and analytics strategy

57%
Don't have a strategy at all

17%
Don't know if they have one or not

Source: IDC 2012 Vertical IT & Communications Survey. June 2012. N=4177

Here are some indicators that your BI strategy isn't fully formed:

- The BI Strategy consists of a BI architecture slide
- IT is asking the business what reports they need
- Step one of the strategy is building a data warehouse
- There are no metrics defined to measure progress

A BI and analytics strategy empowers your workforce, giving them the right information at the right time and enables them to make good decisions. Your analytics strategy should not only address the information needs of your entire organization, it should also align IT and the business. A solid BI strategy is critical to pull together all BI assets and efforts across any company.

Major barriers to building a successful BI strategy include lack of alignment between IT and the business and the tendency to jump to technology decisions or architecture diagrams without considering what business problems the organization is trying to solve.

See this blog for more information:

→ BI Strategy: Creating a Happy Marriage between BI and IT

BI STRATEGY OVERVIEW

Business intelligence (BI) is no longer an initiative just for IT. It's become the strategic initiative for the entire organization, for both IT and the business. Over the years, BI has evolved into different shapes and sizes based on business needs, expectations, and budgets. However, not all BI programs are successful.

If you have a BI program in place, how effective is it in supporting your organizational success? There are a number of reasons why programs are not effective:

- Poor communication between IT and the business
- Failure of IT ask the right questions or to think about the real needs of the business
- Absence of executive support
- Throwing technology at BI business problems
- Political and cultural issues
- Poor communication and training

See this video to understand key aspects of a BI strategy:
➜ BI and Your Success
See this blog for more details:
➜ Experience BI Nirvana with an Effective BI Strategy

Organizations face many challenges in managing their data and their business needs. Some of these challenges include:

BUSINESS INTELLIGENCE TOOL COMPLEXITY
End user adoption is crucial to the success of any BI initiative, but too many different tools with steep learning curves and complex data models beyond the understanding of the business can hinder adoption.

USER ACCESSIBILITY
A lack of self-serve models combined with difficulty in using existing systems can inhibit reports being used by the wider community.

INFORMATION FRAGMENTATION
When information is locked away in application silos and heterogeneous sources, integrating that information often requires expert knowledge. This leads to a disconnect between analytic and operational applications.

FLEXIBILITY TO RESPOND TO CHANGE
Business needs change rapidly so, since technology cannot keep up with the speed of thought, data models quickly get out of sync with business models.

"Business intelligence (BI) continues to be the top investment priority for CIOs. An effective BI approach can benefit your IT and line of business (LOB) teams alike."

An effective BI strategy can help reduce or remove these challenges and can provide significant benefit to both IT and the business:

Increase User Satisfaction

Users avoid the frustration and time wasted accessing information across multiple systems, enabling better business analytics, insight and collaboration. Self-service reporting is deployed across the organization.

Control for Predictable and Consistent BI Solutions

With a single point of administration, project estimating is easier and more accurate. Users and administrators know which tools to use for which job.

Save Money

Save wasteful duplication of costs for every aspect of your BI projects, also known as "leveraging", "reusing", or "consolidating/rationalizing" (e.g., licensing, maintenance, training, administration/support and development costs).

When starting the process of building or improving a BI strategy, here are some universal best practices that should be considered:

- **Find an executive sponsor:** The executive sponsor understands the value of business intelligence and will champion and promote the project across the organization.

- **Create a BI Competency Center (BICC) or BI Center of Excellence (CoE):** The BICC/BI CoE ensures the right people and program management practices are in place (see more below in following section on BICCs).

- **Gain alignment between IT and Business:** Identify goals and expectations across the organization and ensure they're closely aligned with the business objectives and business strategy

- **Define architecture and standards:** Develop and maintain standards regarding methodologies, definitions, processes, tools and technologies required to implement BI

- **Develop a roadmap and measure your progress:** Develop metrics that will measure both the implementation and ongoing success of BI

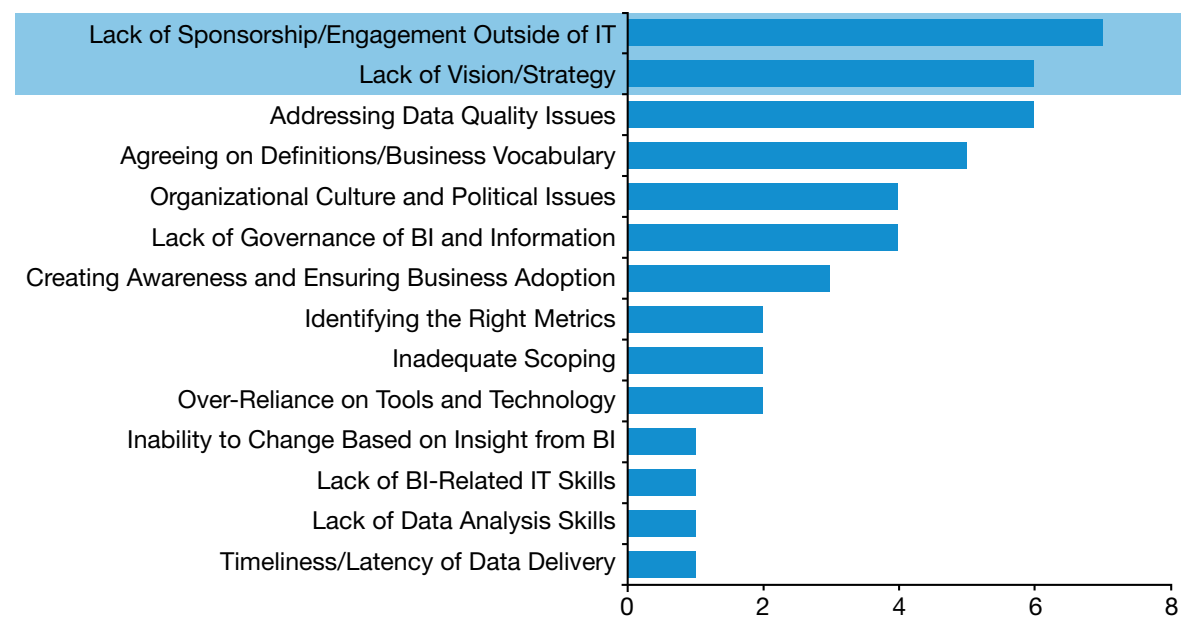You can find more information on these best practices in this blog:

→ Business Intelligence Best Practices

The analyst firm IDC has published a white paper on BI and analytics strategy best practices. You can find this white paper here:

→ IDC Whitepaper

The role of the executive sponsor cannot be overstated. According to research by the analyst firm Gartner, between 70% and 80% of corporate business intelligence projects fail. The primary reason for failure is:

- lack of sponsorship or engagement outside of IT
- lack of vision or strategy

Category	Value
Lack of Sponsorship/Engagement Outside of IT	7
Lack of Vision/Strategy	6
Addressing Data Quality Issues	6
Agreeing on Definitions/Business Vocabulary	5
Organizational Culture and Political Issues	4
Lack of Governance of BI and Information	4
Creating Awareness and Ensuring Business Adoption	3
Identifying the Right Metrics	2
Inadequate Scoping	2
Over-Reliance on Tools and Technology	2
Inability to Change Based on Insight from BI	1
Lack of BI-Related IT Skills	1
Lack of Data Analysis Skills	1
Timeliness/Latency of Data Delivery	1

Source: MIT Sloan Management Review 2010

The executive sponsor should:

- Own the information culture/BI strategy initiative
- Define the goals and measures of the initiative
- Incorporate the initiative into mission and vision statements
- Put the right teams and resources behind the initiative
- Evangelize the initiative across the organization

Another essential part of a complete BI Strategy framework is a BI Center of Excellence (BICC) or BI Center of Excellence (BI CoE). The BICC/BI CoE incorporates governance, program management, BI strategy roadmap and milestones, education and training, and support. It comprises a cross-functional team with specific tasks, roles, responsibilities, and processes for supporting and promoting the effective use of Business Intelligence across organizations (Gartner 2001). BICCs and BI CoEs are largely engaged in the organization and implementation areas of a BI Strategy.

Read more about why a BICC/BI CoE is critical to getting the highest level of competency in your BI strategy here:

➜ Business Intelligence Strategy: BI Competency Centers Take Center Stage… Again!

This blog details different organizational models for a BICC, visibility and funding, and how to get started or evolve your existing BICC.

➜ BI Strategy: BICC, a Key Element to Your BI Program

One of the components of a successful BICC is ensuring the members have the right mix of Business, Analytic, and IT skills.

Business skills are needed to help business managers set and balance

Business, Analytics, and IT Skills
A component of a successful BICC/BI CoE that ensures the members have the right mix of Business, Analytic, and IT skills
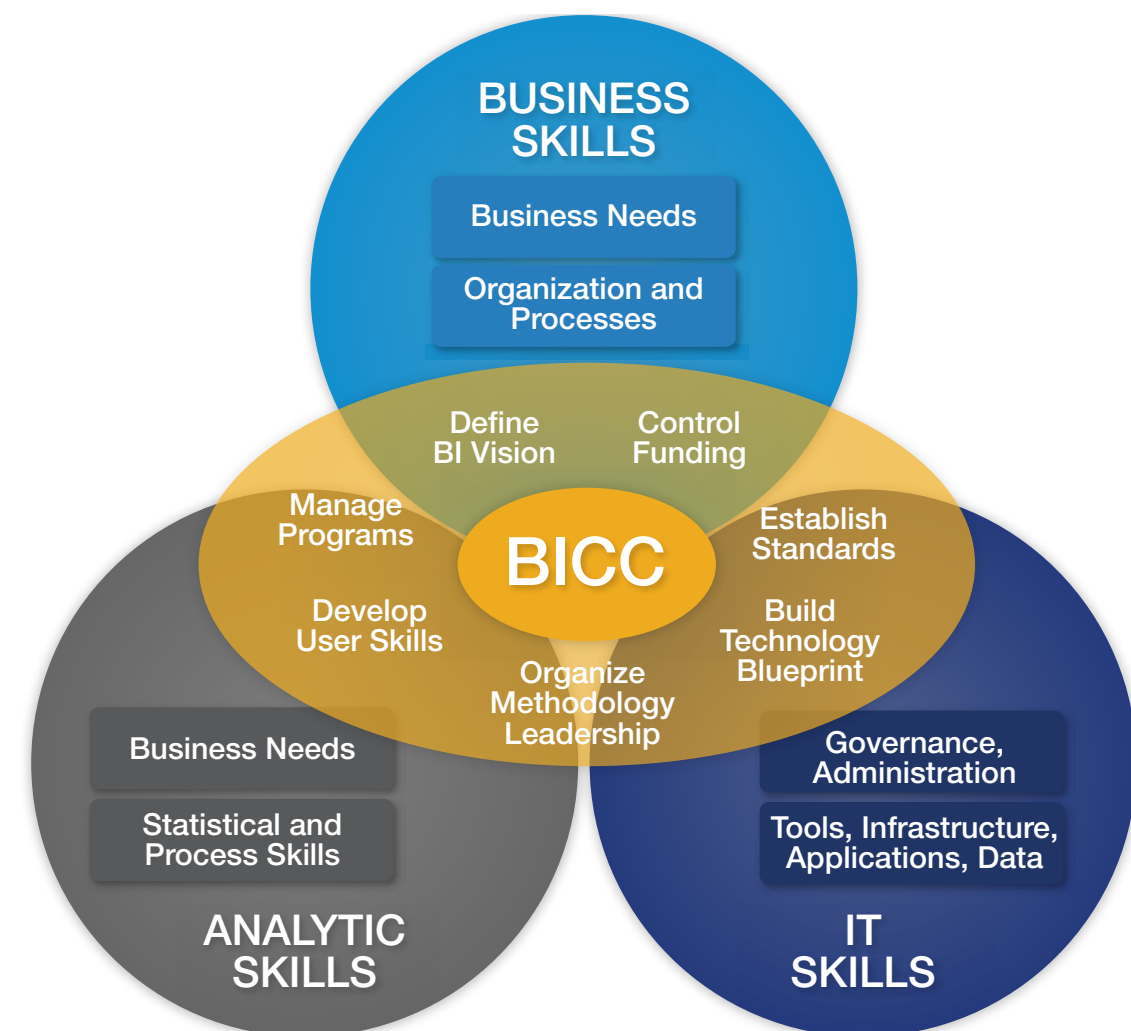
[Source: How to Define and Run a Successful Business Intelligence Competency Center, Gartner, August 2007]

priorities by analyzing consequences of choices and creating business cases. They also provide an understanding of the organization's strategic business objectives and the role action-oriented information plays in achieving the corporate objectives

"A good strategy includes aligning business partners, formalizing business needs, and delivering a comprehensive, strategic BI solution that identifies a shared set of goals and delivers planned results."

IT skills ensure that the BICC/BI CoE understand the business intelligence infrastructure implications of business and analytic requirements. Those skills are also critical in understanding diverse business intelligence and performance management tools and technologies as well as the differences in design and access characteristics of diverse data sources.

Analytic skills help with researching business problems and creating models that help analyze these business problems as well as working with the IT department to develop insight into how to identify data for a specific analysis or application.

There are three important elements of an effective BICC:
- Development of an effective BI Strategy
- Alignment with the IT Development Center of Excellence
- Creation or maintenance of a BI Center of Excellence

Developing an effective BI strategy requires identifying key stakeholders, identifying corporate strategy as it aligns with business needs, and identifying business and business unit priorities.

Aligning with the IT Development Center of Excellence includes identification of BI Strategic, Program, Analytical and Technical skills. It also includes i

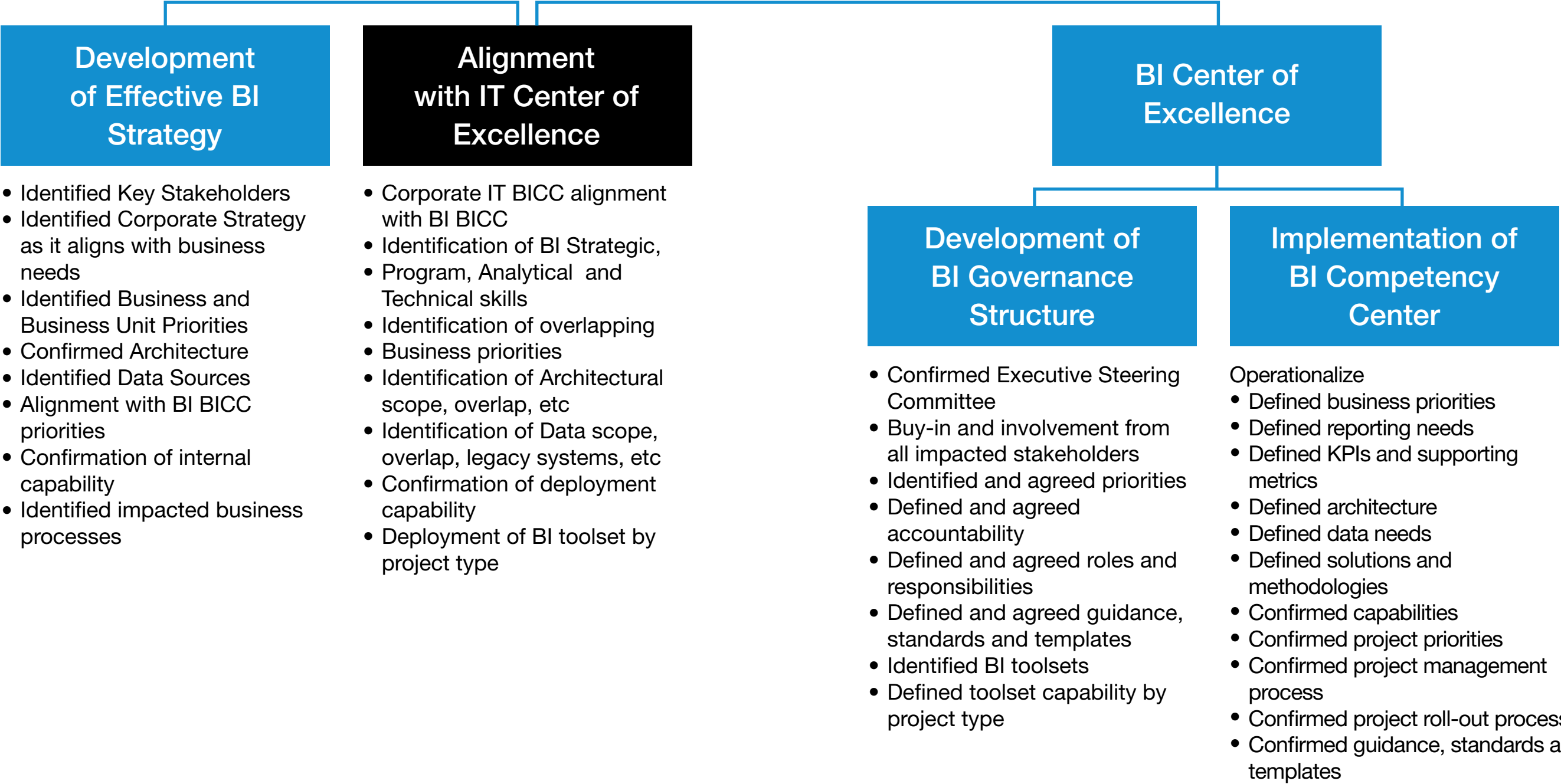dentification of overlapping business priorities as well as architectural scope and data scope.

The BI Center of Excellence is responsible for overseeing the development of a BI governance structure as well as the implementation of the BI Competency Center.

Together, these three areas work together to ensure successful execution of the enterprise-wide BI strategy.

Key Elements of an Effective BICC
This chart shows how everything works together to ensure
successful execution of the enterprise-wide BI Strategy

Development of Effective BI Strategy

- Identified Key Stakeholders
- Identified Corporate Strategy as it aligns with business needs
- Identified Business and Business Unit Priorities
- Confirmed Architecture
- Identified Data Sources
- Alignment with BI BICC priorities
- Confirmation of internal capability
- Identified impacted business processes

Alignment with IT Center of Excellence

- Corporate IT BICC alignment with BI BICC
- Identification of BI Strategic,
- Program, Analytical and Technical skills
- Identification of overlapping
- Business priorities
- Identification of Architectural scope, overlap, etc
- Identification of Data scope, overlap, legacy systems, etc
- Confirmation of deployment capability
- Deployment of BI toolset by project type

BI Center of Excellence

Development of BI Governance Structure

- Confirmed Executive Steering Committee
- Buy-in and involvement from all impacted stakeholders
- Identified and agreed priorities
- Defined and agreed accountability
- Defined and agreed roles and responsibilities
- Defined and agreed guidance, standards and templates
- Identified BI toolsets
- Defined toolset capability by project type

Implementation of BI Competency Center

Operationalize
- Defined business priorities
- Defined reporting needs
- Defined KPIs and supporting metrics
- Defined architecture
- Defined data needs
- Defined solutions and methodologies
- Confirmed capabilities
- Confirmed project priorities
- Confirmed project management process
- Confirmed project roll-out process
- Confirmed guidance, standards and templates

GETTING STARTED

The first step to developing a solid BI strategy is determining whether or not you already have one. In addition to knowing what a BI strategy isn't (for more information see the previous section on BI Strategy), there are several questions you should be able to answer if you have a BI strategy in place. Here are just a few:

- What is our vision for information accessibility and usage?
- What should the high-level BI roadmap of initiatives look like?
- What metrics should we use to manage the BI implementation and fulfillment of BI business goals?
- What kind of governance model do we need to support BI initiatives?

It's important to remember that developing a BI Strategy is not a one-time occurrence. It is a dynamic, ongoing process that continues to evolve as business needs change and as your BI maturity evolves.

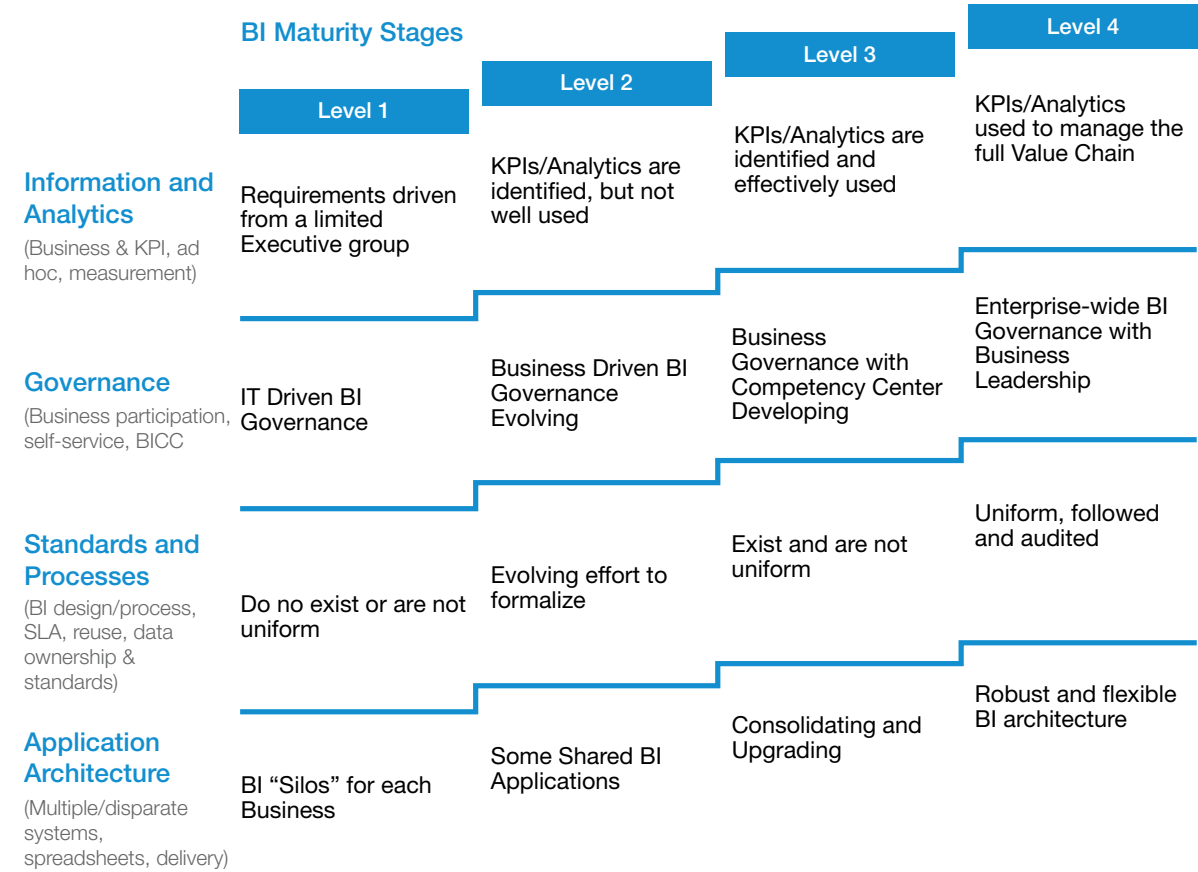You can find more questions that are answered by a complete BI strategy program in this blog:

➜ Business Intelligence Best Practices

Another consideration when evaluating your current BI strategy or creating a new one is where your organization falls in the BI Maturity Model. This will give you a sense of how well your company is executing whatever BI strategy might be in place and how closely you align with current best practices (See chart on the next page for more information).

Once you have a good understanding of your existing BI strategy and where you fall within the BI Maturity Model, it's time to assess your organization's pain points and determine which of them are the highest priority. SAP's BI Strategy Self-Assessment Tool can help you identify pain points across lines of business (LOB) and offer guidance on which ones would have the most impact on the organization if resolved. To gain a complete overview of the organization, we recommend that multiple LOBs be involved in filling out the self-assessment.

BI and Analytics Maturity Model

Advancing through the BI Maturity stages leads to better decision-making, better use of available tools and data, and reduced cost

BI Maturity Stages

	Level 1	**Level 2**	**Level 3**	**Level 4**
Information and Analytics (Business & KPI, ad hoc, measurement)	Requirements driven from a limited Executive group	KPIs/Analytics are identified, but not well used	KPIs/Analytics are identified and effectively used	KPIs/Analytics used to manage the full Value Chain
Governance (Business participation, self-service, BICC	IT Driven BI Governance	Business Driven BI Governance Evolving	Business Governance with Competency Center Developing	Enterprise-wide BI Governance with Business Leadership
Standards and Processes (BI design/process, SLA, reuse, data ownership & standards)	Do no exist or are not uniform	Evolving effort to formalize	Exist and are not uniform	Uniform, followed and audited
Application Architecture (Multiple/disparate systems, spreadsheets, delivery)	BI "Silos" for each Business	Some Shared BI Applications	Consolidating and Upgrading	Robust and flexible BI architecture

When the self-assessment is complete, you will receive a customized set of recommendations for improvement. This will provide guidelines for immediate action, and you can take the assessment again later to determine overall improvement.

You can find the BI Strategy Self-Assessment Tool here:

➜ SAP Self-Assessment Tool

HOW SAP CAN HELP

SAP has developed a four-step approach to developing a solid BI Strategy foundation. We start by helping you understand the current business pains and the impact of solving those pains. We also help you understand the extent of your current BI strategy capabilities, both formal definition and execution, and the impact of current gaps. From these two areas, we perform a gap analysis to identify the highest priority areas. The gaps in these areas are then addressed in a BI strategy foundation recommendation. If you're interested in having an SAP facilitator conduct a BI strategy assessment and workshop in your organization, go to our BI Success website and submit a workshop information questionnaire:

➜ BI Strategy Page

You can also contact your Account Executive directly for more information. Visit this blog for more details about the methodology we teach in the facilitated workshops:

➜ Business Intelligence Best Practices

AP Strategic Advisory Services for Analytics is designed to provide an agile and adaptive Analytics strategy treated as a living artefact that will be continuously refined to meet enterprise objectives. The service addresses three key areas:

- Vision & Business Value for discovering the business drivers behind your organization's need for BI strategy
- Technology Alignment focusing on recommendations for improving/ growing the end-to-end solution architecture
- Transformation Roadmap describing how you can execute the people, process and technology recommendations as a set of projects and milestones

Learn more and access the SAP Services for Analytics e-book which covers the the full portfolio of analytics services from SAP: business intelligence (BI), enterprise performance management (EPM), governance, risk, and compliance (GRC), and analytics services for industries.

BUSINESS NEEDS

- Tie business strategy to actionable analytics initiatives to contribute to company objectives
- Avoid risk of a build & burn solutions given lack of insights on the mid- to long-term direction
- Define a metrics framework to gauge the current state of the business and relate it to the enterprise objective
- A rock-solid end-to-end architecture and protect your investments

DELIVERY APPROACH

- 2-3 days onsite workshop conducted by Analytics Advisors
- Tailored break out sessions on the adoption of Analytics and what to do from organizational, technical and solution perspectives
- Capability driven discussions based on business priorities. Feasibility and ranking to pick "Big hits"+"Quick wins"

YOUR VALUE

- Get initial guidance about the benefits, obstacles and setup for a successful Analytics Success Map to meet your business demands
- Focused advisory to determine your position and your way forward in Analytics
- Increased confidence in the value of your analytics investments to the right solutions

MORE INFORMATION

SAP has several resources available to anyone interested in learning more about BI Strategy and BI Competency Centers.

➜ BI Success Website

Our BI Success website will help you:

- Learn what's new in the latest release of BI solutions from SAP, including the recently released SAP BusinessObjects Business Intelligence 4.1
- Find customer success stories to help develop your own BI strategies and approaches to evolving BI in your company
- Receive our best guidance and recommendations for implementing and upgrading BI solutions from SAP, including customized upgrade recommendations
- Complete a short questionnaire about your current BI environment and receive customized recommendations in a handy PDF report
- Follow up with additional questions to our upgrade experts
- View the best how-to videos for BI best practices in the BI Academy section

Content on this website is updated regularly, so check back often to see what's new.

Our Value Management team has created a brief BI Best Practices survey that will let you see how your strategy compares to your peers and gain insights into improving your strategy and action plan.

➜ BI Best Practices Survey

In addition to the ones already mentioned, there are several blogs available to help you develop your BI strategy.

The BI Strategy Recap from SAPPHIRE NOW 2013 gives an overview of the top reasons why developing a BI strategy is important:

➔ Business Intelligence (BI) Strategy Recap from SAPPHIRE NOW

This blog provides valuable information on how to drive value from your BI program and how to define, measure and track success.

➔ Driving Value from your BI Program – Define, Track and Measure Success

The June 2013 edition of the BI Newsletter offers a wide variety of articles around creating an information-driven culture.

➔ BI News: June Edition

Subscribe here to receive the monthly BI Newsletter. Get the latest on roadmaps, innovations and thought leadership for SAP BusinessObjects BI solutions. Read about best practices, relevant news, customer stories, and upcoming events.

SUBSCRIBE NOW

Our YouTube channels for BI Strategy and BI Competency Centers offer a wide range of short videos to help show the value and impact of a BI strategy and how BI Competency Centers fit within the BI strategy.

➔ Playlist: BI Strategy   ➔ Playlist: BI Competency Centers

Part of our Best-Run Business Intelligence and Analytics Webcast Series, the Top 5 BI Optimization and Strategy Considerations webcast shows how BI strategy can transform an organization.

➔ Best-Run Business Intelligence and Analytics Webcast Series

The "How Smart is BI Without a Strategy?" series on VoiceAmerica presents an in-depth look at how BI strategy sets your roadmap for success and enables better decision-making across the organization.

How Smart is BI Without a Strategy?

➔ Part 1   ➔ Part 2   ➔ Part 3   ➔ Part 4

Contact your Account Executive for more information on developing and refining your BI Strategy.

SAP