Time to Modernize Your Legacy BI Solution

[or watch your business users do it for you.]

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INTRODUCTION

It is widely recognized that data is expanding exponentially. If you attend a keynote at any Business Intelligence (BI) or Big Data Conference, you'll hear that 90% of the world's data was created in just the last two years. Not surprisingly, analysts expect business data to continue doubling consistently every 1.2 years. At the same time, the cost of data storage has decreased dramatically. But if you're looking at data as a storage issue, you've missed the point. Stored data is meaningless if the business can't utilize it to make decisions. Because of the accelerating pace of business and innovation, the days of information control and lock down are over.

When faced with the prospect of modernizing the legacy BI ecosystem, you probably conjure up a patchwork of disparate data sources and one-off analytics solutions. You've built a BI Competency Center around an architecture that delivers data governance and robust security, but users are impatient with wait times and want direct access to the data. In search of autonomy, the business has often independently acquired desktop data discovery products that promise agility and self-service, but lack the underlying architectures to ensure data consistency and governance across the enterprise. As a result, you face the risk of analytic silos, loss of data security, and eventually, reporting chaos.

The greatest risk of all is to hold steadfast in your legacy environment. Business groups won't stand still. When they move forward, they may leave you behind. Instead of resisting change, CIOs must deliver a modern approach to BI and analytics that satisfies the business demands for self-sufficiency, while providing an architecture that ensures data governance. We call this approach Next Generation BI.
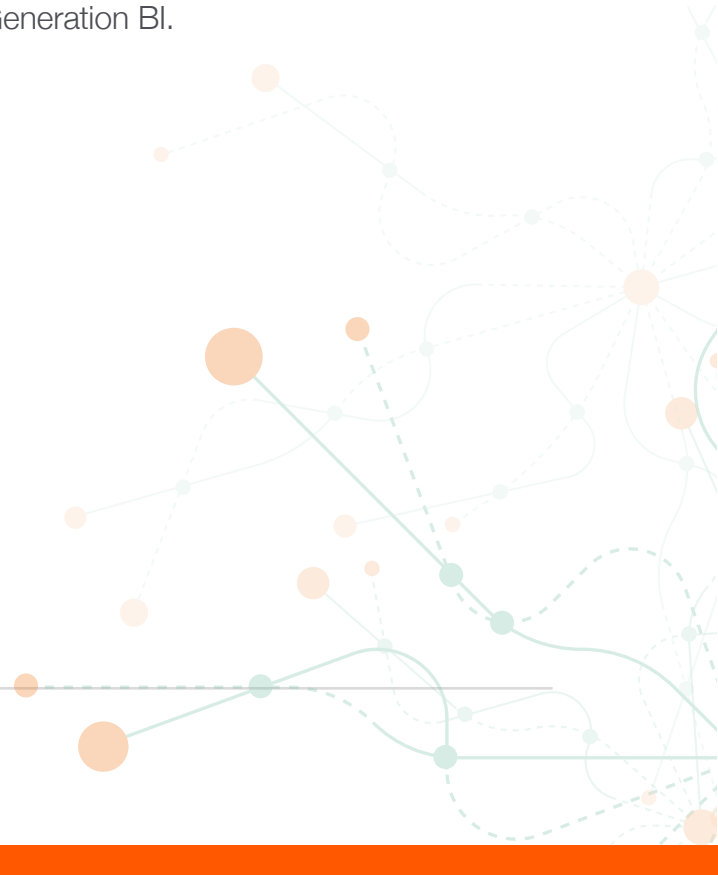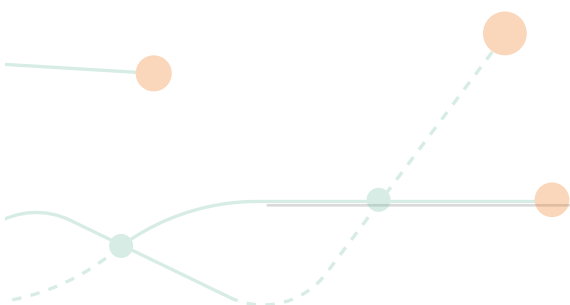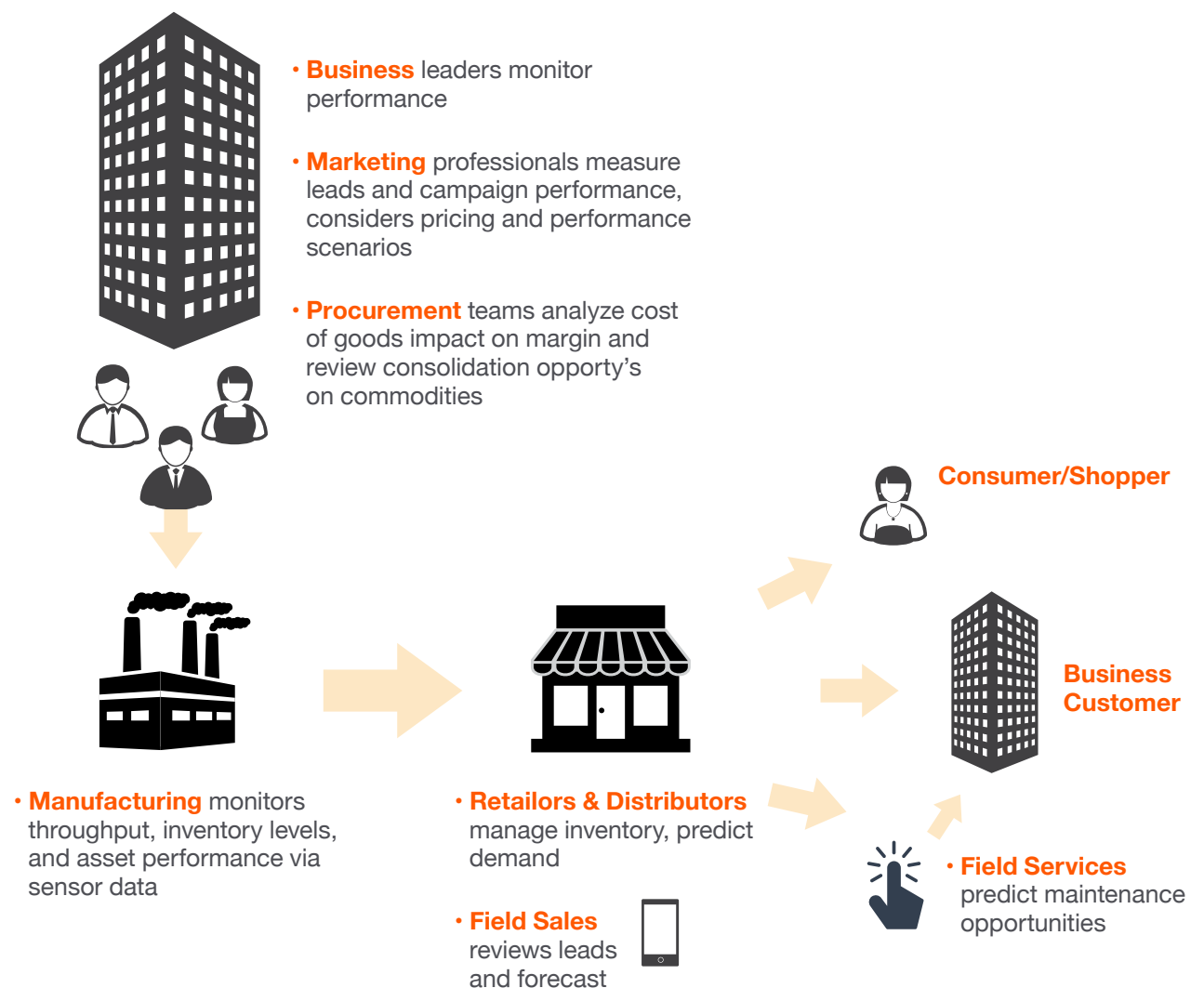
BUSINESS IS ALWAYS EVOLVING

Businesses need to make decisions in a dynamic landscape in which the number of distinct data sources are increasing daily. Now, sale and transactional data represents only a piece of the total customer understanding. With the advent of social media, mobile apps and online marketplaces, channels are both converging and becoming highly specialized. Touchpoints to the end consumer are splintered, and supply chains are global. Through growth and acquisition, duplicate data sources have arisen with redundant product codes and category overlap. Metrics and key performance indicators have lost consistent meaning, as have the calculations behind them. For example, a manufacturer may count a high volume of sales to a distributor or retailer in South America without accounting for high end-of-season buybacks. If the manufacturer doesn't have visibility into the "sell-out," the region reports high sales without understanding true demand. The sales rep in South America makes his number, but the CEO doesn't understand how the business is really performing. And, who's left accountable when the inventory numbers don't add up?

Across the value chain, speed and agility are paramount. It's no longer the sales team that can be dismissed for having a short attention span. Sales and operations planning is impacted by global weather and commodity fluctuations; marketing campaigns and programs need to adapt on demand to local market changes or fluctuations in emerging markets; manufacturing bills of material depend on thousands of components with varying availability and lead times; human resources is examining a younger workforce with increasingly higher rates of churn. Business leaders want both to own their data and combine it with external data sources. Expanding the sales team to a particular region? Layer Dun & Bradstreet data into the forecast to see how many Fortune 500 companies are based there. Sales for ice cream dropped this summer? Examine Nielsen data for the performance of alternate frozen products to check a substitution effect.

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CENTRALIZED AND DECENTRALIZED BUSINESS INTELLIGENCE FLOW

- **Business** leaders monitor performance

- **Marketing** professionals measure leads and campaign performance, considers pricing and performance scenarios

- **Procurement** teams analyze cost of goods impact on margin and review consolidation opporty's on commodities

Consumer/Shopper

Business Customer

- **Manufacturing** monitors throughput, inventory levels, and asset performance via sensor data

- **Retailors & Distributors** manage inventory, predict demand

- **Field Sales** reviews leads and forecast

- **Field Services** predict maintenance opportunities

Even if business leaders could accurately anticipate their analytic requirements, they can't wait half a quarter for a robust data-preparation exercise, or wait for the IT organization to modify or produce additional reports for line users. Therefore, LOB ops teams are pulling the best numbers they can find from CRM, POS, SCM, and HCM systems and running brute force analysis on spreadsheets, which are prone to human error.

In business, competition occurs on the margins. Profitability is key, and every operational advantage counts. Executional excellence demands access to timely and accurate intelligence that users can create, consume and share.

DON'T GET LEFT BEHIND

"[Self-Service BI initiatives are being] … implemented by business units that have circumvented IT and as a result, they are disposed to analytic sprawl, an inconsistent or incomplete use of data, capricious development of metrics and formulae, and either too-restrained or unrestrained sharing of results."
—Gartner, January 2015

Software Analysts are no longer talking about if a shift off legacy BI will occur, but have labeled the topic case closed. A convergence of opinion across Gartner, Forrester and McKinsey argues that the BI space has fundamentally been redefined, and the traditional approach supported by legacy BI platforms is inadequate. Decentralized business units are no longer willing to rely on dedicated centralized BI resources to control the reporting pipeline. This shift has resulted in a myriad of tools that support analytic capabilities without significant involvement from IT. Investment in these tools by individual business units results in a piecemeal set of solutions that require integration and reconciliation. This adds unwelcome burden to corporate BI/IT and more importantly, relegates it to a non-strategic role.

Unprecedented convergence of opinion (click titles below to read)

Gartner Says Power Shift in Business Intelligence and Analytics Will Fuel Disruption

The Good The Bad And The Ugly of Enterprise BI

A two-speed IT architecture for the digital enterprise

Gartner.   **FORRESTER**   McKinsey&Company

"It is not the strongest or the most intelligent who will survive but those who can best manage change."
— Leon C. Megginson, management guru

When your CEO demands accurate and insightful data analysis and the business is crippled by lack of self-sufficiency, next generation BI is essential. Successful data-driven organizations that balance agility and governance are the best defense against analytic silos and reporting chaos.

EMBRACE NEXT GENERATION BUSINESS INTELLIGENCE

Next Generation Business Intelligence is a transformative approach to BI & Analytics. It respects the central governing structure and semantic constructs of legacy BI, while recognizing that legacy BI cannot keep pace with changing business requirements.

Characteristics of Next Generation BI

Automation – Automate design, build and operations to reduce manual effort and accelerate delivery of analytical content

Agility
- Satisfy end-user demand for insights at the pace of business
- Empower users to both consume and create information
- Leverage local data with global governance
- Reduce IT backlogs significantly

Adaptive user experience
- Provide consumer-grade ease of use
- Adapt to users' preferred style for working with data
- Deliver integrated dashboards, visual discovery and mobile analytics
- Support third-party clients like Excel or Tableau

Modern architecture
- Multi-tenant cloud architectures redefine the way software applications are delivered and consumed
- Accelerate time to value, reduce TCO, and decrease risk

Virtualization
- Stand up a network of interwoven virtual BI instances that share a common analytics and distributed data fabric, avoiding data silos and reporting chaos
- A more universal architecture that concurrently supports both centralized and decentralized project requirements
- Eliminate the physical replication of analytic content

Governance
- Enable trusted collaboration at scale across the enterprise with a common and reusable semantic layer

A recent next-generation BI transformation success story

A well-known global consumer products company with operations in 78 countries – each with unique point-of-sale and data systems – struggled to reach a total view of the business. Lack of common reporting left marketing and sales without reliable sell in / sell out visibility and analytics. They considered bypassing IT and began evaluating self-service reporting tools. The Information Systems Director wanted to maintain control of the data management centrally, but knew that he had to demonstrate value greater than these solutions delivered. He also had to respond quickly.

Key selection criteria:
- Governance of data centrally within the BI platform, including unification of information from different data sources and applications
- Ability to keep pace with changing requirements across the business
- Ability to adapt to changing BI needs quickly
- Speed of deployment
- Interface with other Cloud and digital applications

By choosing a leading Next Generation BI solution, he deployed a platform that maintains data integrity and provides the business with better decision-making capabilities. Each decentralized business unit or market region may require a specific report or dashboard, but data remains centrally managed, so the regions don't spend time reconciling conflicting data and metrics. Business users are thrilled that they can stop arguing over numbers and get onto strategy and execution.

Sales & Operations
The initial project brought together data from different sales and operations systems to measure where specific approaches to brand or placement had a positive result. With these findings, successful initiatives could be replicated across multiple stores and locations, improving overall sales effectiveness and ultimately increasing revenue.

Digital Marketing

Following that success, the next initiative was to provide digital marketing with more analytics around its campaigns. Information from multiple systems tracked user engagement and social channel activity alongside sales volumes. With Next Generation BI capabilities, marketing could measure the impact that various campaigns had on sales.

Enterprise

With the roll out of Next Generation BI, IT is delivering a global business view, as well as intelligence for each market. Because the underlying data is consistent, each brand, country or territory manager can judge performance at the aggregate, identify localized trends, and drill down to specific opportunities. At the same time, the executives can view the whole company performance in context.

CONCLUSION:
CREATE A CULTURE OF DATA-DRIVEN
DECISION MAKING AND WIN

"The traditional CIO who served as a general manager of technology is behind us. Organizations today are increasingly dependent on technology, demanding that their IT leaders be innovators, not simple guardians".
*—**Paul Groce , Partner,***
Heidrick & Struggles

As CIO, you face the opportunity to shift your role from gatekeeper to innovation leader. You must provide trusted and governed data as an on-demand service to the business for a culture of data-driven decision making and transparency. The prospect of modernization is not daunting. You can stand up Next Generation BI in a matter of months, improving IT productivity, and reducing total cost of ownership and recurring human capital-centric operating expenses. Abolish the bottleneck of IT-controlled reports, and free up IT / BI resources to focus on the big problems of consistently maintaining and curating new data. At the same time, empower end users with self-service analytics to discover insights with confidence, so they can run the business.