Executive Summary

Feb 2012 Gartner global BI report

How costly can a BI failure be?

IT, Business and Information delivery

Clouds and BI

Roadmap to SAP BI Success

Gartner reports that your chances of failure in your BI project are over 70%

Landscape, architecture and Modeling

2012 – The failure rate for BI projects now >70%

2003-4 – The failure rate for BI projects >50% (Gartner)

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*Until I read the Gartner Feb 2012 BI findings reading '**BI Valuenomics'** was a desirable recommendation. Today I can confidently state that this book **is your only roadmap** out of the Gartner nightmare (over 70% failure). If you don't read it you fall into still another nightmare- that of Einstein*

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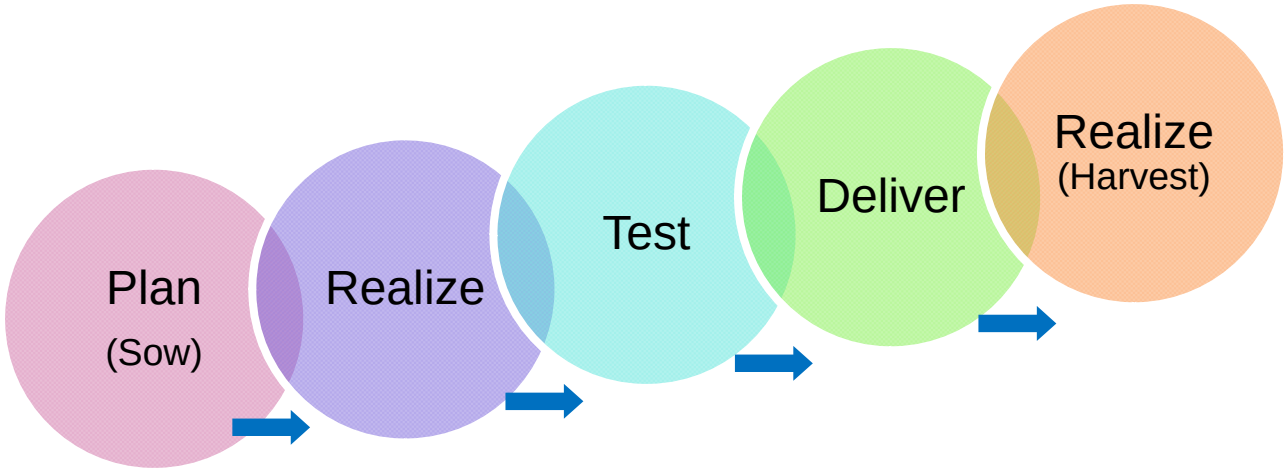

0. BI Project Failure Rate Reaches 70% in 2011-14 period

Insanity is defined as "doing the same thing over and over again and expecting different results" *Albert Einstein*

In 2003-4 Gartner had reported that ***'More than 50% of BI Projects will fail to meet business expectations'***. .. and hardly anyone listened

Their 2012 BI research reports that through 2014 ***'... less than 30% of BI Projects will meet business expectations'***

Very few people possibly read these report, and even among those that did we are now certain that most of them disregarded the Gartner findings and continued doing the same things they had been doing before reading the report - again and again, yet somehow expecting different results.

The 2003-4 report became the foundation of my 4 year research that led to the publication of '**BI Valuenomics**- *the story of meeting business expectations in BI'*. This book was written as a handbook for business executives, defining a simple, and common sense, roadmap for taking ownership and accountability in their enterprise BI projects (another 2006 Gartner requirement that most ignored).

Up until I read the Gartner report around Aug 20th I had no clue to the strategic value of 'BI Valuenomics' and the role it will play in the coming years. It also prompts me to attach the forward from my new and upcoming book ***'The Scientific Principles of Information Delivery'*** as in the period of 2010 and 2012 I have come to firmly realize that business does not need deployment of BI appliances or technologies – they need better information. Something that is becoming more and more elusive (once gain a 2006 Gartner comment) Failure in BI projects has been accelerating faster towards two familiar patterns. The first is that companies are allocating larger budgets to their BI initiatives. The second is that the 'Meet Business expectation in BI' scores are going every lower. In 2008 when I started the global BI research the world reportedly spent $8.9 billion in BI projects (Gartner). By 2011 we collectively spent $10.8 billion.

At a 70% failure rate we globally wasted over $7.8 billion in 2011 alone. Or for every $1 million your company spent on BI you wasted, or will waste, over $700,000. The alarming part is that for every bad decision you took during your $1million BI spend, you will need to spend anywhere from $4 mill and upwards in unplanned projects to try and deliver to your original 'business Expectations'. (based on a finding published in BI Valuenomics- '..Companies will need to spend 4 to 60 times more for trying to rectify a BI defect after 'go-Live', than if it had been fixed during the initial planning phase of the project' *(see the cost of BI failure as an real business case for this statement- available at the end of this paper)*

If this remotely sounds familiar then firstly read this synopsis on the Gartner report and my recommendations. After that decide if you want to continue to travel on the exact same path in the hope that somehow the outcome will be different. This is time for disruptive thinking and luckily there is a handbook and a path out of this spiraling Gartner nightmare.

In my last 6 years I have spent more time trying to bring 'Bad BI Projects' back on track and less on deploying new projects with the right methodology based on the principles of BVA (Business Value Attainment)

Over the years our BI implementations have continued to follow the traditional techniques that were written in the late 1990's. As technologies evolved, companies found it convenient to continue investing in newer and newer appliances, without somehow making any changes to their foundational methodologies or strategic BI Health-Checks. Thus, resulting in accelerating their 'junk' queries for business users – this time only faster. But this only exasperated the business discontent.

Without further delay lets me deconstruct the Gartner report of 2010. This is a 7 page report for $495.00 which contains the problems they are seeing. The author replicates the Gartner statements without any personal bias. Where I disagree I have made a note in the Gartner statement.

In order to make this paper actionable we will divide this into three sections

Source: *Predicts 2012: business intelligence still subject to non-technical challenges* report,

a. **Gartner:** What Gartner reports (Gartner- 2012)
b. **Impact:** How it will Impact your enterprise, or you
c. **BVA Solution:** Your actionable BVA roadmap built on BI Valuenomics guidelines (2010)
   BVA stands for 'Business Value Attainment'

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1. LESS THAN 30% BI PROJECT'S 'MEET BUSINESS EXPECTATIONS' GLOBALLY

Gartner: "Fewer than 30% of business intelligence projects meet the objectives of the business," according to the 2012 report from Gartner. *(Realizing that no one heard them the last time - Gartner continues to drive the message home by repeating it once again)* Gartner estimates that by 2014, fewer than 30% of business intelligence (BI) initiatives will align analytics completely with enterprise business drivers, despite *(business)* alignment being the foremost BI challenge.

Impact:
[1] 70% of your investment will be wasted if you continue deployments on current, traditional guidelines
[2] There is a 70% probability your BI project will not meet business expectations
[3] 70% of the reports in your BI system will never meet any business needs
[4] Your company will spend 4 to 40 times more to try and fix these problems after go live, than if you fix, had fixed, them during the planning phase
[5] Read the BI paper 'The real cost of BI Failure'. If you don't get access then request it from the author. This is a real-life cost analysis of life after a 'BI Project gone Bad'. A chart is attached at the end of the paper.
[6] If you think good BI resources are expensive then read the cost of BI Failure to align your priorities and methodologies.

BVA Solution:
[a] Follow the scientific Principles of BVA (Business Value Attainment)
- [a.1] Mandate business participation in all things BI (controlled and tightly framed)
- [a.2] Only actual business users should prepare Functional Specs
- [a.3] Appoint a BI Business Value Architect who has a solid business background with BI technical skills to match. This resource becomes the mentor and QA to Key Stakeholders.
- [a.5] Appoint an internal "BI Business Value Owner' who reports on a weekly basis on 'Meet Business Expectations in your BI' project. Eliminate surprises after go-live.
- [a.4] Do not commence any developments until a 'Global Enterprise (your company name here) BI Cookbook ' is Documented and communicated.
- [1.5] If your SI recommends keeping business out of the doors of BI project, show them the door instead – highly recommended
- [1.6] Your final solution is a finely tuned solution with business ownership and participation, and with IT taking a leadership role in meeting business expectations

[b] Realize that 90% of ECC projects come pre-configured and the standard deployment is a very preferred methodology. However, 90% of BI business needs are custom and very unique to the enterprise. You cannot use the same rules for BI projects as you do for ECC or ERP
[c] In almost every oral I have attended, i.e. SAP projects ranging from $600,000 to $360 million – BI was almost always an after-thought. Key Stakeholder must realize that their decisions come from BI, and BI is the management tool. Do not keep this as an after-thought.
[d] In all ERP and other decisions keep BI as the 'Center of the Universe' as not only is it imperative

for business success, but it has the highest visibility as the highest corridors of power.

2. LANDSCAPE, ARCHITECTURE & MODELING REMAINS DEFECTIVE

Gartner States: "The immediate future of the BI landscape is one of a disconnect between marketing hype about pressing challenges on the one hand and reality on the other," said Andreas Bitterer, research vice president at Gartner.
Businesses will also balance a centralized approach to BI with a decentralized model, according to Gartner, to balance the need for consistent data models with agility.

Author Note: *Landscape decisions come in conjunction with architecture and modeling. We will deal with all three*

Impact:

Landscape

[1] An ill designed landscape will decrease flexibility and increase SLA's and performance.
[2] Strategic costs will also increase
[3] Landscape decisions are simple once we understand the scientific Principles. They are mostly global, industry, data volume and growth based designs
[4] If you have a BI, on top of a BI, on top of a BI landscape conduct a 'Strategic BI Health-check' at your earliest. This may sound strange but the author has seen a SAP BW, with an Oracle DW on top, with a Teradata on Top, with a Business Object to top it all- this must certainly be undesirable under any cost.

Architecture

[1] Without a good architecture your strategic BI can turn into a nightmare

Technical Architecture

[2] Architecture options (in order of maturity)

[2.a] **FEDW –** Federated EDW. This is new and has all the advantages of EDW and data marts. This design meets all the EDW and Data mart requirements. 100% centralized control and 100% local autonomy

[2.b] **EDW –** a common mistake. These DW's tenc to be corporate centric and the farther from the EDW a business unit is the more they tend to suffer. This represents centralized BI approach.

[2.c] **Data marts:** Very popular with global companies wanting to give independence to regional and national business units. Strategically they develop their own standards and definitions that make SPOT (Single Point of global Truth) reporting impossible.

[2.d] **Report Marts:** Possibly the worst technical architecture. In this model developers build independent data flows to meet user requests. A total nightmare for data loads and SLA compliance.

[3] In a global architecture design one needs to define Business Architecture, data Quality architecture, Information architecture and finally leverage the technical architecture to meet decision enabled analytics deployment. Most partners start and end with technical architecture – some even get that wrong.

Modeling

[1] Most SAP BW modeling is done manually
[2] Manual modeling impossible. Ever tried solving a Rubics cube it has six dimensions, with 9 identical characteristics per dimension. An average North American Cube has 10 dimensions and 60 characteristics. So even if you can solkve the Rubics cube in 21 seconds everytime – modeling the cube is still impossibility
[3] Modeling for BW is different from modeling for BW Accelerator, is different from modeling for BOBJ 4.0, is different from modeling for HANA. Try that manually.
[4] Modern modeling automation tools can model a cube perfectly every time in under 10 minutes.

BVA Solution:

Landscape

[a] Get your hands on the 'SAP BI Landscape Options' document. If unavailable send email to the author for your free copy.
[b] Plan your landscape early and optimally. Not subsequently based on fire fighting

Architecture:

[a] Choose FEDW whether you are a small company, local company and certainly if you are a global company
[b] Ensure your conduct all the different models with business and IT prior to creating the final harmonized global BI Architecture
[c] Review all designs and architectures with a trusted 'BI Business Value Architect'

Modeling

[a] Choose automated modeling as it will save you time, money and strategic headaches.
[b] it might probably save your company and you job

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3. CLOUD IS MORE OF A HYPE WITH QUESTIONABLE BUSINESS VALUE

Gartner States: "The need for analytics does not match most organizations' skill requirements; vendor hype for cloud-based BI is not reflected in revenue and customer adoption; and there is a struggle between centralized and decentralized organizational models of BI delivery."
Organizations often develop and deploy hindsight-oriented reports and/or query applications focusing on metrics that users may find interesting, but they do not represent the operational or strategic controls used to facilitate business performance, Gartner warns.
The analyst estimates that cloud-based BI will account for just 3% of BI revenue by 2013, despite every major BI platform provider offering such a system. Current adoption of "cloud BI" by organizations lags behind the expectations of cloud-based BI providers - research from the analyst shows that organizations that have already invested in on-premises BI infrastructure are hesitating to identify a segment of their BI initiative for which data can be moved into the cloud and reports and dashboards received from a cloud provider. However, companies that have subscribed to a specific cloud application, such as customer relationship management, payroll or help desk service, are more inclined to use BI functionality delivered by their cloud provider, as they see it essentially as an extension of the cloud application.

The author does not necessarily believe that Gartner has got the Cloud penetration entirely right, and disagrees that the cloud is more of a hype than a solution. The cloud market for 2012 reportedly is around $35 bill and in six years is projected to be over $300 billion. So something is amiss here. However, in keeping with the spirit of this paper I continue with the Gartner statement.

Impact:

[1] If your basic foundation your BI application is defective taking it to the cloud will not help much
[2] conduct w 'Strategic BI Health-check' prior to any cloud decisions
[3] Cloud will enable you to
- [3.a] Subscription based ownership with monthly charges.
- [3.b] No more basis/ admin or db support
- [3.c] no more upgrades or applying of patches

[4] Clouds add little value unless
- [4.a] Your application is net new and you want to test-drive it some at the lowest cost
- [4.b] You want to focus on your core business and leave technology to cloud providers
- [4.c] minimize support costs
- [4.d] your business experiences unpredictable peaks and troughs that are extreme in nature. For example any unique event in any part of the world triggers millions of users wanting to access Google suddenly this could happen once a year but Google is prepared.

BVA Solution:

The motto of all BI decisions must be 'Meet Business Expectations in BI' as a foundation for every decision. New technologies mandate proponents to identify, state and measure these business benefits before and after a KDD process

[a] Prepare a Cloud 'Key Decision Document' with all alternatives. If unclear get this from your trusted 'BI Business Value Architect'
[b] Call for a Cloud meeting with your BI COE experts and all key stakeholders
[c] Review all options along with Pros and cons for ach option with all stakeholders

[f] Get a democratic decision based on alternatives and strategic impact
[g] Take affirmative action based on a consensus of all key stakeholders. File KDD document for the future.

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IT, BUSINESS AND INFORMATION DELIVERY

Gartner States: Bitterer said, "IT leaders should concentrate not only on the technological aspects of BI, but also on the severe lack of analytical skills. Second, they should use a 'think global, act local' approach in their BI programs to provide the right level of autonomy and agility to avoid the bottlenecks that overly centralized BI teams create, while simultaneously establishing enough consistency and standards for enterprise-wide BI adoption."

Authors Note: *there are three quotes from reports that are necessary as a foundation to all strategic BI decisions.*

1. *2006 Gartner: 'Business needs to take ownership and accountability of their BI investments'*
2. *2010 Gartner: Without business in business intelligence, BI is dead'*
3. *2010 BI Valuenomics: '98% of BI projects are declared successful in week 1 after go live. Less than 50% remain successful by week 10' (we have to now restate this as ".. less than 30% remain successful by week 10"(the cure to this is what BI Valuenomics is all about)*

Business & IT Impact:

[1] Traditional, what we today term as Technocratic, BI methodologies have been 'Business Exclusive'. This will drive failure rates high in BI projects. Business stakeholders - Do not accept this from your SI or IT. Unless business leads they will have to follow.
[2] The wider the gap between IT and business the higher will be the rate of failure
[3] Do not hire an intermediary SI (Systems Integrator) as a bridge between your business stakeholder and your BI SI. Only use direct business owners or report owners.
[4] By simply trying to replicate your legacy reports 'As-Is' global enterprises might as well not deploy modern BI applications.
[5] If you simply deliver your 1999 designed Cognos reports on a modern BI solution in 2011 then you have wasted a lot of valuable assets and not enhanced the enterprise decision capabilities one bit.
[6] If your developers, and those of your SI simply follow orders they will only deliver reports.

BVA Solution:

[a] Most BI projects deal with deploying a technology with a fundamental belief that 'Technology alone can solve all business problems' This assumption has driven success down from a dismal 50% to an alarming 30%. Change this to 'Meet business expectations in BI'
[3] Modern BI projects must not simply deliver legacy reports, but overall plan to enhance the decision capabilities of the enterprise. The BI application is not an end but just a catalyst to meet that goal.
[4] Enterprise stakeholders need to change the BI lens from IT to Business and IT, and from Reports to Decision enablers.
[5] Understanding the participative profile and information delivery for the different layers of business is paramount to strategic business success
[6] Define Roles for the project with resources who can take your users from reports to analytics

and management from Analytics to Informatics.
[7] With roles defined clearly map skills of each BI resource for optimal fit and allocation during the project life-cycle.

Reports to Analytics to Informatics
Impact:
[1] Without a clear understanding of the information needs of each layer of the organization BI projects will continue to be failures
[2] Without roll-up dataflow there will continue to be no way to roll up valid decisions
[3] Without roll-down and drill-down functionalities each layer will have to request additional information thus wasting valuable time and global enterprise competitive positioning.

BVA Solution:
[a] Clearly understand the Gartner Reports, Analytics and Informatics matrix
[b] Plan on user participation by BVA participation matrix
[c] Undertake a mandatory roll up architecture design that is self validating and provides automated data quality checks on a daily basis
[d] Only roll-up architecture will enable instant drill down, and drill through capabilities for all layers of the enterprise

Think Global Act Local
Impact:
[1] Without a clear and documented 'Global Enterprise BI Cookbook' there is no way any enterprise company can succeed locally or globally
[2] Your EDW environments are excellent for global /Corp but disastrous for local requirements
[3] Remember business runs on local capabilities, corp. only needs informatics on how local is performing.

BVA Solution:
[a] Build your 'global Enterprise BI Cookbook' before taking any next step or before starting your BI program
[b] The most critical components are Data Quality, Standards (mainly naming & Coding), Processes, Architecture, Modeling, ++
[c] Deploy only the FEDW architecture
[d] Ensure your architecture and design complies to strict centralized requirements by 100%, and meets local autonomy by 100%

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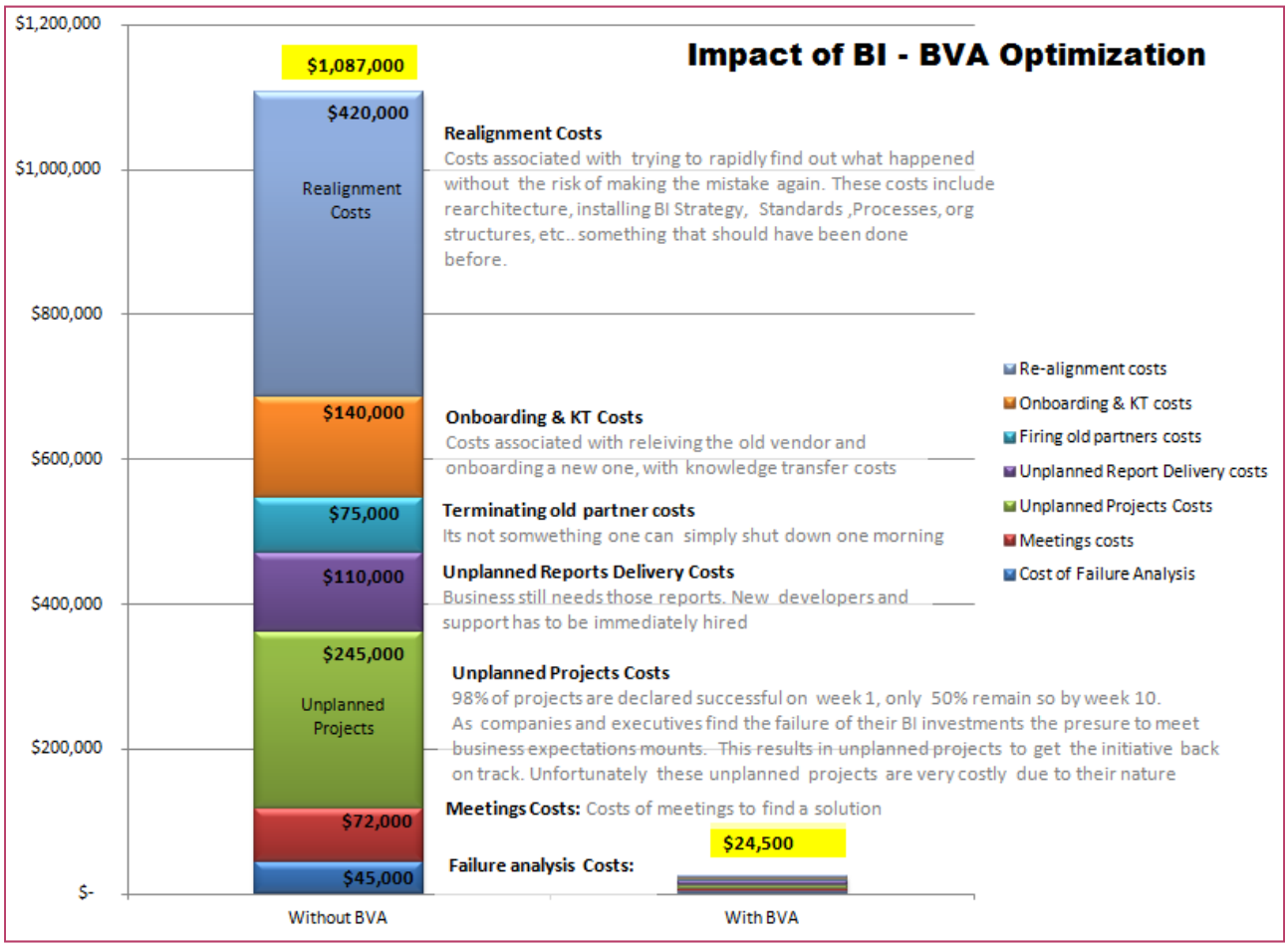
APPENDIX 1- THE TRUE COST OF BI FAILURE

Background: customer: Fortune 500 US customer; Original BW implementation cost: $2.4 million' The rectification costs below were tracked for the first 6 months only. The full rectification project started in January 2011 and continues till date (August 18, 2012). The project has been on 'Fire-Fighting ' mode since January 2011, where as it should have been on Fire-Prevention' mode before go live.



These Gartner notations do not represent the views of the author but just what Gartner states in their report and an objective interpretation of what it could mean and how should executive stakeholders leverage this information to ensure success.

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*These are independent views of Hari Guleria and do not in any way represent the views of his current or past employers. Hari has over 30,000 hours of assisting global customers deploy and enhance their BI initiatives. Hari has worked with HCL-Axon as North America Solution Manager/Architect, with SAP America in their Value Realization division and prior to that with premier SAP Channel partners including Andersen consulting. He comes with over 9 years of Sr business management experience– due to which he consistently maintains a high 'Business Value Attainment' focus where technology becomes a delivery catalyst and not an end by itself. Hari has BI implementation experience with Oracle DW, BW, BW Accelerator, BusinessObjects, Accelerated Explorer, Teradata and HANA. He is the author of **'BI Valuenomics**- The story of meeting business expectations in BI', **and BI Valuenomics–CxO**. He is currently writing the long awaited book **'The Scientific Principles of Information Delivery' due for publishing in Q4 of 2012.**. The content are independent thoughts of the author and provided without any warranties or ownership or any form of liabilities whatsoever as to its content or consequences. The content may change without any notice whatsoever. Hari is also the owner of the world's largest SAP HANA group in LinkedIn. You may contact at hguleria@bidatabridge.com or on Linkedin*