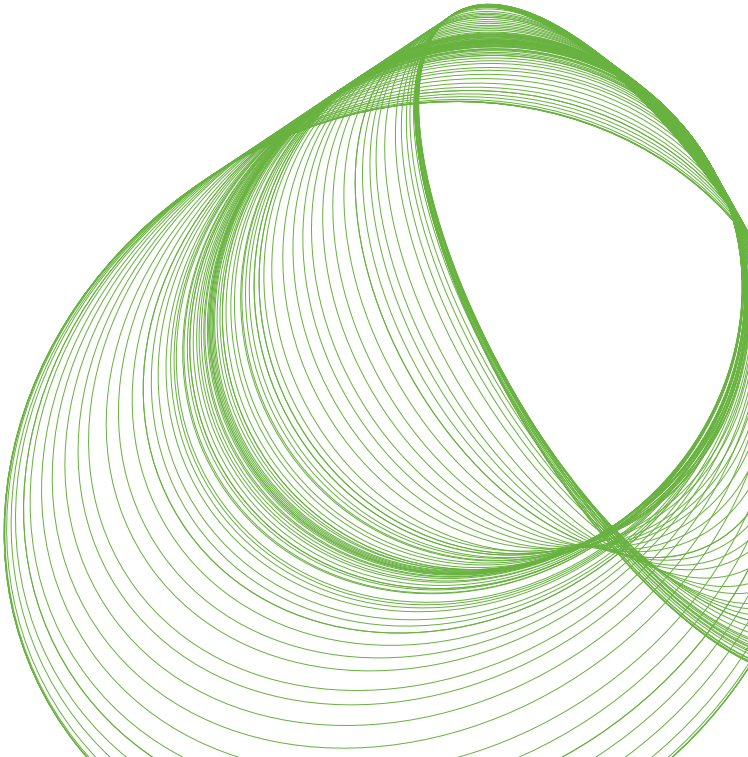
BI for the people – and the 10 pitfalls to avoid in the new decade.



Introduction

Business Intelligence (BI) emerged twenty years ago as a tool for decision-making. Originally used exclusively by analysts, power users, and board-level executives, it has slowly evolved into a more democratic medium as organizations have come to realize that decision-makers at all levels and in all departments need access to timely, relevant information. Today, there is an increasingly strong move towards the 'consumerization' of BI as people are demanding the same speed and ease-of-use from their workplace software as ubiquitous applications have delivered in their personal life.

In short, a new breed of BI tools is replacing the cumbersome, complex technology and instead focusing on making the process as intuitive and rewarding as possible. This latest wave of BI is serving a new generation of technologically-savvy, information-hungry users. Characterized by pioneering features like in-memory analysis and associative search, this new approach is delivering more self-service capabilities to reporting and analysis. Now, non-technical users can combine previously disconnected information for a complete view and conduct analysis on the fly – without having to rely exclusively on their IT department.

BI tools can now enable more people to easily explore their data without limits, providing them with answers to their business questions. But because many companies are still struggling with outdated BI technologies, adoption rates remain low. Only a fraction of the potential users are actually leveraging BI tools mainly because of system cost, complexity and lack of capabilities.

As a result, the challenges that BI implementations present have limited the ability to deploy it widely within organizations. In fact, as outlined over the next few pagesbelow, there are 10 common pitfalls associated with traditional BI approaches that prevent organizations from getting full value from their BI investments.

Pitfall 1
Lack of clear business goals

Starting without defined business goals can make a poor foundation for a BI project. What business issues are being addressed? Is it the right goal? What will achieving the goal mean for the business? Is it clear and will it be measured? Goals need to be specific and aligned with corporate objectives, but don't need to be big. The chaotic economy has resulted in organizations focusing on more tactical projects, with lower upfront spending and more quickly realized business benefits. It can actually help by starting with some very achievable 'quick wins' which ensure buy-in from all stakeholders at an early stage. However, the best BI tools make it possible to implement enterprise-level projects in a fraction of the time it takes outdated OLAP systems, so you can quickly scale up and achieve significant success. The value of BI implementations can be very simply measured in terms of return on investment.

Pitfall 2
Not enough attention focused on change management

The success of a BI project largely depends on how engaged business users are in the process. A workforce that isn't fully informed and involved in plans for change is likely to resist the unfamiliar. Besides, BI is as much about changing behavior as it is processes. An objective of many BI projects is to create a culture of continuous improvement and accountability, but failing to explain the benefits could lead to misunderstanding.

Performance management is not a stick to beat people with; as the name suggests. Rather, it's about managing performance rather than just measuring it. When used correctly, it can be motivational when everyone is able to see the contribution they're making and people can be rewarded for their success. So get buy-in early. Those quick wins will give the perception of project success and speed up adoption. Don't get hung up on the technical details of the project, but rather focus on educating the people who will be using it. The latest BI technologies are in a better position to drive change because they lend themselves to speedy deployment and they're intuitive to use. Your resources will be better spent on an effective change management program, rather than on weeks of application building, and you'll see much faster time to value compared to traditional BI.

Pitfall 3
Limited involvement from the people you need to change

BI used to be owned by the finance and IT departments, but in the new decade everyone, from the boardroom to factory floor, will be free to access the information they need when they need it. This 'self-service' approach is taking over from the traditional BI model which focused on delivering static reports – predefined by IT – that are out of date almost as soon as they were issued and only met the needs of a handful of elite power users.

Ease of use is also driving a new era in collaborative BI, where organizations are extending the reach of their BI strategies to include the exchange of information between internal and external parties. Collaborative BI can improve any industry. Information in the hands of users impact everything from supply chain efficiencies in manufacturing to accelerating patient care in an emergency room.

Pitfall 4
Inability to enable real-time transparency

If you don't know where you stand, how can you improve? A lack of visibility leads to procrastination, excuses, missed opportunities and a culture in which there is no accountability and no one is prepared to take action. Transparency should therefore be at an individual, rather than departmental level. Many BI initiatives fail because the organization is not yet ready for transparency of information. Although this is not a technology issue, good technology can enable transparency if the organization recognizes the need for it.

Showing people the effects of their performance motivates them to achieve more, and simple dashboards provide an easy-to-read graphical representation of the metrics that matter most to them. And gone are the days when just financial metrics are measured. New BI technologies mean it's possible to apply the same levels of analysis across a range of areas for a truly holistic view of your business. The ability to track financial metrics like profit and loss, cash flow and general ledger information is a given. Core operational metrics such as resource allocation and production planning are becoming more common. But the very best of the new BI technologies are now making completely new areas of analysis possible – environmental metrics, for example, that assess market conditions or external factors like import/export duties. In the new decade even social metrics will be measureable. BI will record and categorize Twitter mentions or track public perception of your brand.

This is new ground for BI, which in the past was hampered in its scope due to the time and resources involved in measuring even basic metrics. Tracking environmental and social metrics will create a whole new dimension of insight, as businesses seek to differentiate themselves in increasingly innovative ways.

Pitfall 5
Failure to take action

Visibility without action is futile! But when projects take a long time to implement, momentum is lost and it can be all too easy to stop acting on the valuable information that's being produced. It is the responsibility of business leaders to demonstrate their commitment to acting on intelligence. Putting formal meeting and review structures in place creates a strong feedback loop. BI should be used not only to understand where you are but also to measure the success of your resultant actions. Only by taking action, recording your activity and measuring your progress will you maintain the buy-in of others. There's little point in having these new capabilities if you don't use them to improve and can't demonstrate their value. So strike while the iron's hot and the benefits will be seen and appreciated.

Pitfall 6
Losing control

Indeed BI is such a powerful tool that organizations are often simply overwhelmed by its potential. Like a kid in a candy store, the temptation is sometimes to gorge on everything available. Try to concentrate on what's relevant and useful rather than just measuring, recording and disseminating data for the sake of it, and remember not to lose sight of your objectives. The intention is to distill your raw data into meaningful, actionable information, not to create more.

So keep it simple, and spend time choosing the right KPIs for your business, rather than simply tracking all available metrics. Businesses thrive or fail based on the effectiveness of their KPIs. Executives are increasingly feeling the pressure to establish the right metrics across all areas of their business and incorporate a review process into their KPI strategy.

Pitfall 7
Lack of continued executive sponsorship

High-level input is required to keep projects on course and everyone motivated. The most progressive BI strategies are in a state of constant development. Rather than building towards one 'big bang,' they are ingrained in a culture of continuous improvement. Taking an incremental approach requires effective communication, regardless of how good or bad the news is. Critical success factors should be continually measured and tracked, and the executive-level resources for this need to be allocated from day one. Consistent and dedicated sponsorship from the top demonstrates the importance of the project and helps establish it in the company culture and values.

Pitfall 8
Deploying inappropriate technology

As is evident from the above, delivering value within weeks – or even days – means giving people the motivation to change their behavior. The chosen technology must therefore support this methodology. Technology which is complex, cumbersome or heavily reliant on the IT function makes it difficult to demonstrate value quickly and maintain momentum and enthusiasm. And yet, many IT directors and managers are still spending millions on toxic, resource-draining assets like OLAP and data warehouses which require large teams to develop pre-defined reports. Expensive and outdated technology like this is the reason most BI projects fail to deliver the expected benefit.

What organizations need is a way to quickly prototype and build BI applications that are simple and easy to use, yet powerful enough to supply detailed and actionable information. Advanced BI tools put the impetus for change in the hands of the user. This new breed of self-service technology is better able to support a people-focused deployment because it's simple to use and its benefits are immediately apparent.

And it's not just in the deployment stages that supports a 'user first' approach. Users should be able to explore their data by moving between connections and ideas in a creative, productive, non-linear way – similar to the way the human mind works. This unique approach supports flexible data analysis rather than rigidly defining its parameters. Quite often it throws up answers to questions users hadn't even thought of.

Pitfall 9
Failure to employ a practical and simple implementation framework

Carefully selecting the right technology will go a long way to overcoming potential problems, but it is still essential to implement it simply and pragmatically. Small, agile, focused projects are less likely to eat up resources and goodwill, so focus on single goals and make sure they're appropriately resourced. Users will need training, of course, but if that training takes more than three days you know you're dealing with the wrong technology. It's best to aim for a fast goal delivery and not a technical delivery. ROI is now the top priority so payback time should be measured in days.

Pitfall 10 Take the path of least resistance

Effective BI strategies mean embracing change. That means tackling issues and questions you know need answering but are almost too frightened to ask. This sometimes forces you to make tough decisions or require you to overcome resistance from people and departments who are protective of their data. The road to wider adoption can be tricky to negotiate in places, but you can trust BI. It gives you a single, definitive view of the business to drive decision-making based on fact, rather than faith. Sometimes what it reveals surprises everyone. The key is to make decisions and take action when the analysis demonstrates a need to.

Conclusion

BI continues to be a hot priority for most organizations. But while the potential benefits are clearly apparent, there are risks associated with choosing overly complex technology and not applying an effective change management program during implementation. The issues described above arise largely as a result of concentrating on the IT aspect of a BI project rather than managing the change in behavior and culture it provokes. It follows, therefore, that such issues are most easily avoided by choosing an intuitive technology which is quick to implement and easy to use – one of the new breed of BI tools which emphasizes self service exploration and collaboration rather than a heavy reliance on the IT department.

These new concepts are a long way from the traditional OLAP-based technologies, which cost businesses millions but failed to deliver the levels of insight they promised. Such technologies are rapidly being seen as expensive shelf-ware, outdated and out of step with the needs of modern, dynamic organizations.

It's also important to understand exactly what is expected of the new technology relative to the problems it should solve and the goals it will help achieve. Only then can its success be measured effectively. And with the right goals, that success will be evident where needed most - more accountable, empowered, focused and enthusiastic people; more efficient processes and resource allocation; and continually improving performance and insight into new opportunities.

So what are your goals? What would reaching them mean for your business? Start thinking today – because whatever it is you want to achieve, taking a new approach to BI will help you get there.

About QlikTech

QlikTech pioneered in-memory Business Intelligence on the idea that meaningful analysis belongs in the hands of people who need information, when they need it. Its QlikView product enables users to easily explore their data without limits, providing them with answers to their business questions. Unlike traditional Business Intelligence, QlikView can deliver immediate value with payback measured in days or weeks rather than months, years, or not at all. It can be deployed on premise, in the cloud, or on a laptop or mobile device—from a single user to the largest global enterprise. QlikTech has more than 12,000 customers in 95 countries and over 800 partners worldwide. For more information, please visit www.qlikview.com.