



# Gartner Business Intelligence Summit 2009

20 – 22 January 2009 | The Hague, The Netherlands

The annual Gartner Business Intelligence Summit was held on 20-22 January 2009, at the World Forum in The Hague. Marking its 10<sup>th</sup> anniversary, the Summit drew more than 600 attendees from across Europe, bringing together BI professionals from a cross-section of organizations and industries.

## Key Takeaways and Predictions

**The 2009 Gartner survey of 1,600 global CIOs has revealed that Business Intelligence remained the top CIO technology priority for the fourth year running. However, BI professionals are facing fundamental challenges, contributing to what Gartner calls The Blg Discrepancy.**

**Improving decision making and getting BI in the hands of more users consistently top the list of drivers for BI. However, despite many years' experience of BI, most organizations don't have a clear strategy and are still struggling to address fundamental challenges.**

**"In the current economic climate, organizations expect IT leaders in charge of BI and performance management initiatives to help transform and significantly improve their business," said Nigel Rayner, Research Vice President of Gartner. "This year's predictions focus on the need for BI and performance management to deliver greater business value."**

**Through 2012, more than 35 per cent of the top 5,000 global companies will regularly fail to make insightful decisions about significant changes in their business and markets.** The economic downturn forces businesses to be aware of changes in their organizations, re-think their strategies and operating plans and face demands from stakeholders and governments for greater transparency about finances, operations, decisions and core performance metrics. However, most organizations do not have the information, processes and tools needed to make informed, responsive decisions due to underinvestment in information infrastructure and business tools.

"IT leaders in companies with a strong culture of information-based management should create a task-force to respond to the changing information and analysis needs of executives," said Bill Hostmann, Research Vice President and Distinguished Analyst at Gartner. "IT leaders in businesses without such a culture should document the costs and challenges of adjusting to new conditions and propose a business case for investing in the information infrastructure, process and tools to support decision making."

**By 2012, business units will control at least 40 per cent of the total budget for BI.** Although IT organizations excel at building BI infrastructure, business users have lost confidence in their ability to deliver the information they need to make decisions. Business units drive analysis and performance management initiatives, mainly using spreadsheets that create dashboards full of metrics, plus analytic and packaged business applications to automate the process. Business units will increase spending on packaged analytic applications, including corporate performance management (CPM), online marketing analytics and predictive analytics that optimize processes, not just report on them.

"By making purchases independently of the IT organization, business units risk creating silos of applications and information, which will limit cross-function analysis, add complexity, and delay to corporate planning and execution of changes," said Mr Rayner. "IT organizations can overcome this by encouraging business units to use existing assets and create standards for purchasing classes of packaged analytic applications that minimize the impact of isolated functions."

**By 2010, 20 per cent of organizations will have an industry-specific analytic application delivered via software as a service (SaaS) as a standard component of their BI portfolio.** Information aggregators will increasingly rely on SaaS to deliver domain specific analytic applications built from industry data they collect and shift the balance of power in the BI platform market in their favor. Companies will only share their data with aggregators that can guarantee security and confidentiality so, while hundreds of information aggregators offering SaaS analytic applications will emerge, a virtual monopoly will persist within each vertical niche because of the high barrier to entry for others.

"IT leaders should work with business users to identify the information aggregators in their industry and plan to incorporate a manageable number into their BI and performance management portfolio," said Kurt Schlegel, Research Vice President at Gartner. "They should work with the information provider to ensure the information tapped by the SaaS analytic application can be integrated into their internal data warehouses."

**In 2009, collaborative decision making will emerge as a new product category that combines social software with BI Platform capabilities.** The emergence of social software presents an opportunity for savvy IT leaders to

exploit the groundswell of interest in informal collaboration. Instead of promoting a formal, top-down decision-making initiative, these IT leaders will tap people's natural inclination to use social software to collaborate and make decisions.

"Social software allows users to tag assumptions made in the decision making process to the BI framework," said Mr Schlegel. "For example, in deciding how much to invest in marketing a new product, users can tag the assumptions they made about the future sales of that product to a key performance indicator (KPI) that measures product sales. The BI platform could then send alerts to the user when the KPI surpassed a threshold so that the decision makers know when an assumption made in the decision-making process no longer holds true. This approach dramatically improves the business value of BI because it ties all the good stuff BI delivers (e.g. analytical insights, KPIs) directly to decisions made in the business."

**By 2012, one-third of analytic applications applied to business processes will be delivered through course-grained application mashups.** Businesses should not trust their megavendor to solve all their integration problems. Vendors move slowly to integrate the disparate code bases they have acquired. Reliance on one vendor also limits the ability to use best-of-breed capabilities and weakens the buyer's negotiating position. At the same time, business units do not care about grand visions for service-oriented architecture (SOA), such as assembling composite applications by weaving together fine-grained services.

"IT leaders in Type A organizations who want to link analytics with business processes should use course-grained mashups of existing operational and analytical applications," said Mr Schlegel. "Today, most use portals to integrate operational and analytical applications, but portals simply put the operational and analytical views side by side. Course-grained mashups overlay analytical insights, such as queries, scores, calculations, metrics and graphs, onto the graphical user interface of the operational application."

"The current economic crisis shows the importance of trust and transparency in the information that organizations use to run their business. Integrate the analytical insights derived from this information into the decision-making processes throughout the company," concluded Mr Rayner.

## Summit Highlights

**Bearing in mind the unique circumstances of the present economic climate, the Business Intelligence Summit made the message that NOW is the time BI comes into its own.**

### KEYNOTES

#### Welcome Address

There are no easy or safe decisions in the next year – get over it. Be smarter, conquer your fear and make the hard choices. We are in a new age in which it is essential to take those steps - but so is change. Gartner recommends you take action NOW; examine your inventory of BI tools and technologies, rank it to find your priorities, question everything you have, protect your key people who can deliver your priorities, reconsider each budget line, plan for multiple futures and then choose where to cut AND where to spend.

#### **Gartner Keynote: The Blg Discrepancy – Strategic BI, But No BI Strategy**

Andreas Bitterer, Research VP, **Gartner**

The discrepancies and gaps between what organizations want and what they do, is significant. It's time for the discrepancy to be overcome. The fact that Business Intelligence is at the top of CIO's priorities for the fourth consecutive year (and was second the year before that) perhaps suggests that it hasn't yet been adequately answered – that users haven't yet achieved the value that they have been wanting.

The challenges that will kill a successful deployment range from a lack of governance, to a lack of a BICC to guide the project, no standards but a plethora of systems and tools, no trust in the results being created, no skills to make best use of it. Likewise the silos and politics that go with trying to get proper full access to data within a large organization are major stumbling blocks.

It's all about creating change; lowering risk, increasing conversation rate - more campaigns, more sales, market share, and product share. Reports alone won't change anything. BI has to become part of the DNA of the organization with supporting infrastructure throughout. The BI strategy needs to be a plan of action with a clear goal in mind.

Make sure your strategy features a clear purpose and objective, with rigorous business case and set priorities, sponsorship, sourcing best practice, and a roadmap with set milestones.

In a changing world, BI needs to become a flexible and evolving objective; a process built into the organization but with the means in place to make sure you can use it to achieve value.

#### **Business Intelligence: The CEO's View**

Markus Löffner, Principal, **McKinsey & Company**

McKinsey's experience has led them to formulate three key characteristics of BI today that end-users can use to guide their goals and development.

Firstly, data is a key enabler of CXO priorities. With data analytics becoming pervasive, decision-making becoming ever more collaborative, the result has been a greater openness toward BI approaches. Iterative decision-making processes allow choices to be 'prototyped' and either tweaked and adapted, or discarded.

Leading companies extract significant business value from data. The leading adopters of data management innovations have achieved results with the choice of best-fit strategy depending on the criticality of the objective being tackled whether short-term crisis, medium-term direction or long-term opportunities and commercial possibilities.

Finally, CXOs need to define what data management capability will create value for the company, then take charge and actually build it. Companies with a 'hero' culture that rewards people who take bold decisions on gut instinct put little value on rational scientific decision-making but that is what BI is all about. It starts with the process of deciding objectives and relies on a combination of sources, tools, processes and the correct culture coalescing into a comprehensive approach to finding solutions.

#### **Panel Discussion: BI and Performance Management at the Core of the Business**

Bjørn Rist, CEO, **Exie**; Kristina Robinson, Vice President and General Manager, Business Intelligence Solutions (BIS), **HP**; David Laverty, VP Worldwide Marketing, BI and Performance Management, **IBM**; Donald MacCormick, Chief Transformation Office, **Business Objects, an SAP Company**

Moderated by Nigel Rayner, Research VP and Neil Chandler, Research VP, **Gartner**

Change is coming: the CIO agenda for BI is soon to be answered. With the downturn, many businesses simply stopped spending in September - then re-started with the "need to know" becoming a priority. The opportunity is for those firms who emerge from recession with a strong lead position to retain that position for years to come. Now is a good time for the BI business case with the insights it can deliver, giving comfort and security to corporate decisions.

It's essential to "speak the gospel", to explain that BI can provide the agility needed to re-plan overnight at a time when everything has had to go out the window to be started over. It's time to engage executives and provide real solutions. In many cases individuals don't know how good BI could be - a case of "don't know what they don't know". It's essential to deliver BI in a way that gives it to them how, when and where for the purpose they most need it.

### SNAPSHOT OF ATTENDEES

On the morning of 20 January, more than 600 attendees walked through the doors of the World Forum representing 34 countries. The seniority of this year's delegates demonstrated the ever-higher priority given to Business Intelligence within organizations. The industry breakdown showed the core of the audience coming from financial services, public sector / government bodies, professional services and from manufacturing, representing 63% of the audience.

However, there are no more open cheque books - organizations need to build on what there is and demonstrate the specific solutions they can offer in specific situations. This means establishing the well-integrated, seamless platform at the heart of the company with an appropriate information architecture, but with point solutions and applications integrated around it.

No C-level executive wants to be stuck in front of investors, clients, partners or colleagues looking like they don't know the answer. The drive for understanding and transparency is essential and this is absolutely the time to deliver on the promise.

#### **Closing Keynote: Overcoming the Blg Discrepancy: How You Can Do Better With BI**

Nigel, Rayner, Research VP, **Gartner**

Follow the "Three I's" of Initiatives, Investment and Individual Actions, to ensure BI and PM success, and deliver the benefits to your organization.

CIOs should establish a competency center responsible for driving BI and PM initiatives across the organization. This can help create standards against which vendor selection decisions can be made and can help define a common metrics framework. CIOs must also identify how analytics can be injected into business processes. Properly implemented, BI integrated into processes can be the basis of competitive differentiation.

In the current economic climate, all IT organizations will be challenged to revisit their current portfolio of projects and justify them. C-level executives will be looking for short-term budget cuts. Prioritize BI & PM projects, in the context of risk/reward. The Gartner Hype Cycle can be a useful management tool in an economic downturn as you make tough decisions about what to keep, cancel, grow or delay.

And last, but not least, CIOs and IT professionals faced with a cost-constrained environment need more than ever to focus on their people and key skills to ensure their BI & PM strategy does not get "derailed". Learn from others and "evangelize" the BI & PM benefits and opportunities to line of business managers and C-level executives.

## Your 10 Point Action Plan for BI & PM Success

- 1 Create a BI and PM Competency Center**, with information technology, executive sponsorship, and business analyst roles equally engaged, with shared responsibility for success or failure.
- 2 Establish BI and PM Platform Standards** to help rationalize existing technologies and drive future technology selection decisions.
- 3 Identify where PM processes span different analytic applications** to identify how these need to work together, and to ensure that new silos of functionality are not created by users pursuing tactical purchasing.
- 4 Define and deploy an enterprise-wide metrics framework** as a foundation for an end-to-end approach to performance management.
- 5 Inject analytics into business processes** and identify ways that BI can be used to add value to inter-process decisions, as well as to improve the visibility and performance of the process from end to end.
- 6 Revisit and evaluate your current portfolio of projects in the context of risk/reward.** Low risk/reward initiatives tend to be those related to run the business strategies whilst transformational initiatives tend towards a higher risk/reward.
- 7 Consider tactical investments that can show a return on investment in under one year**, and use the Gartner Hype Cycle as a useful management tool in an economic downturn to make tough decisions about what to keep, cancel, grow or delay.
- 8 Take the opportunity to source key skills in a buyers' market** for some high-caliber IT talent, redeploy key employees to short-term roles; respect "conspicuous frugality," but splash out a little when needed to boost morale.
- 9 Learn from your peers and review case studies** to look for common trends and leverage some of their good ideas, and use social software to share ideas and benefit from the "collective wisdom" of your peers.
- 10 Be a BI Evangelist!** Advocate and demonstrate how technology supports performance management, and help business users and executives overcome the skills gap.

**MicroStrategy**

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