



## White Paper

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### Three mistakes companies make with Business Intelligence

By Erik Roelofs

As an SAP Partner, Soltius New Zealand has extensive experience working with New Zealand companies to implement IT-based business solutions. Over the past two years, organisations have faced significant challenges that have sharpened their focus on gaining more business value from their information systems.

Unsurprisingly as the recession began to bite, we observed a significant shift in IT investment priorities towards projects that have the potential to deliver fast returns on investment. One of the areas in which businesses have accelerated their investment plans has been Business Intelligence (BI).

BI encompasses a range of solutions, but broadly speaking it describes solutions that enable decision making by giving a business an understanding of its commercial context through analysis of their corporate data to derive trends, highlight exceptions and measure performance against forecasts and budgets.

The attractiveness of BI in the current environment can be attributed to the fact that solutions such as SAP Business Objects can squeeze value out of the mountains of data that businesses now generate and give decision makers the ability to make faster, better decisions.

SAP Business Objects Web Intelligence, for example, provides an intuitive interface with query and reporting features that allow decision makers to ask spontaneous and iterative business questions of their data, compare year on year performance, identify trends and determine areas that can be optimised to ensure maximum profitability – all from their own desktop.

Because these potential benefits are highly attractive, BI projects often have high visibility within the organisation. But they also often come with an equally high price tag and failure rate. This white paper will discuss three of the common mistakes made by organisations and suggest approaches that can ensure you get the most from your BI selection and implementation process.

#### About the author

Erik Roelofs is a Business Intelligence Solution Architect at Soltius New Zealand. He has more than a decade's experience as a BI consultant in Europe, leading successful Business Objects implementations for a range of global companies.



Prior to joining Soltius, Erik led the Business Intelligence practice for Hewlett Packard in New Zealand and Australia.

## 1. No business-led strategy

Many organisations are struggling to get true value from their Business Intelligence investment. Some BI projects are halted before being fully implemented, while other BI projects lack general user acceptance and ultimately become “shelfware”. Mounting costs, long implementation cycles and lack of business value are common causes for failed BI implementations.

In today’s economic climate, many organisations are taking a hard look at IT spend. Long-running projects without an immediate business benefit are likely to be terminated and written off. Expensive BI or Enterprise Data Warehouse (EDW) projects can be first in the firing line if they fail to deliver immediate business value.

*“Scope creep, shifting deadlines and mounting project cost are a threat to any BI project, but particularly to those based on a generic BI business case.”*

The BI projects that are struggling to deliver value are often IT-driven initiatives, with little or no business buy-in. Best described as a technology-push rather than needs driven, these projects typically share a number of characteristics:

- Limited project participation of business users.
- BI project not geared towards cultural change and data ownership.
- Generic BI business case without business strategy alignment.

A BI business case should address a specific business need and align with a business strategy, a statement of intent or with specific business objectives. The business case for an IT driven project is usually based upon generic benefits of a Business Intelligence solution and may revolve around statements such as “providing a single version of the truth”, “enhancing the reporting capabilities” or “creating a central repository for all enterprise data”.

While these statements are benefits of a BI solution, they do not demonstrate actual value to the business. As such, it will be challenging to secure executive sponsorship and business buy-in, leading to limited project participation from business users. This will also make BI projects difficult to execute successfully as the scope is often ambiguous. Scope creep, shifting deadlines and mounting project cost are a threat to any BI project, but particularly to those based on a generic BI business case.

## 2. Limited project participation from business users

The importance of involving business users from the very start of the project may not always be understood. Business users are the key consumers and should also be involved in the requirements gathering, data analysis and solution design phases of the project. The business users should be regarded as the subject matter experts on the business processes involved in the BI project.

A common practice in IT-driven BI projects is to attempt to meet all user requirements by simply capturing corporate data in the enterprise data warehouse, as opposed to meeting specific requirements from selected stakeholders. Often all data from the source systems is loaded into the enterprise data warehouse with the reliance on the source system data model to disclose relationships between specific entities and data sets. But this can easily overlook crucial business logic that may adversely impact the accuracy of the BI solution.

Operational business systems, such as ERP systems or billing solutions, often rely heavily on the middleware

and the front-end to process, shape and validate information. The way in which data is eventually displayed can be very different from how this data is stored in the underlying database. Some data elements are not stored in the database at all, but are calculated through the middleware layer.

Without involving the business users that are very familiar with these systems and processes, the business logic contained within the middleware layer may be overlooked or misinterpreted, causing discrepancies between the operational systems and the data warehouse. Then there are the undocumented business rules, calculations or cost centre structures that may be common knowledge among the business users, but are unknown to the IT department.

Insufficient involvement from the business users in the crucial analysis and design phases of the BI project will inevitably lead to inaccuracies in the data warehouse. Any unexplained differences between existing operational Excel reports and the newly delivered data warehouse will seriously challenge user confidence, especially if business user participation has been low throughout the entire BI project.

Within any organisation business users are held accountable for decisions they make and the operational and management reports they produce. It is therefore imperative that business users have confidence, feel involved and have a sense of control over the new BI solution. Without this, they will be reluctant to relinquish their own Excel reports in favour for the new BI solution.

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For most business users, their confidence in – and control over – their Excel reports will outweigh the manual labour involved with creating and maintaining these Excel reports. Widespread user adoption of the new BI solution is not only crucial to justify the BI investment but also provides momentum for important cultural change and increased BI maturity.

### 3. BI project not geared towards cultural change and data ownership

The technical realisation of a BI project is the part that is usually well understood. But to make BI work and mature within the organisation, attention must be given to necessary cultural change. Traditionally, the IT department has always been responsible for all business systems, maintaining the technical infrastructure and the data contained therein. But in the course of the BI project, many organisations are confronted with severe data quality and data integration issues. These issues may prevent the BI project team from delivering prior agreed reports or achieving a predefined standard of accuracy.

It is paramount that business stakeholders realise that the BI project team alone cannot address all data quality and data integration issues. These issues are often not caused by technical malfunctions but by erroneous manual input or inadequately defined business processes. Project participation from business users is not enough to overcome these challenges; the business must take ownership of the corporate data stored within the organisation’s business systems.

This shift in data ownership, from IT to business users, is an important cultural change that must not be underestimated. To allow BI to evolve, the business must assume ownership of the corporate data and make data availability, quality and integration a priority. The business ownership becomes essential when business processes need to be changed in order to capture the data required by the BI solution.

For example, when the business needs to identify unique customers across various business lines, then unique identifying attributes are required for each customer. This may require changes to the customer application processes, application forms and operational systems to capture and store those attributes. These changes can be extensive but will dramatically improve the effectiveness of customer intelligence initiatives within the business. An isolated BI project team could never achieve such change.

This cultural change is important to expand and mature the adoption of BI throughout the organisation, stimulating organisations to adopt Master Data Management, data quality and data stewardship initiatives.

#### Getting it right

- Align BI strategy with business strategy, objectives and statement of intent
- Business case addresses real business needs, ensuring business sponsorship and buy-in and detailed, specific business requirements
- Business driven projects that focus on tangible deliverables and high business participation. A clear, business driven strategy provides transparency on delivered functionality for each incremental release
- By meeting actual business needs, the BI investment will provide actual return on investment. This will allow for justifiable BI spend and will create business sponsorship for further BI investment – allowing companies to reach higher BI maturity
- Business sponsorship, stakeholders and high project participation are essential for cultural change, making data availability and data quality a business owned process as opposed to an “IT problem”.

## About Soltius

With more than 60 consultants and offices in Auckland and Wellington, Soltius New Zealand Ltd is an award-winning professional services company focused on delivering SAP-based consulting solutions. Soltius is 100 percent New Zealand-owned and since being formed over a decade ago we have delivered services to more than 60 clients, ranging from New Zealand's most innovative medium-sized companies to the country's largest corporate and public organisations.

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