

Implementation of Business Intelligence and Performance Management Tools and Solutions

Research conducted by: **COMPUTERWORLD**
The Voice of IT Management

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Implementation of Business Intelligence and Performance Management Tools and Solutions

Overview

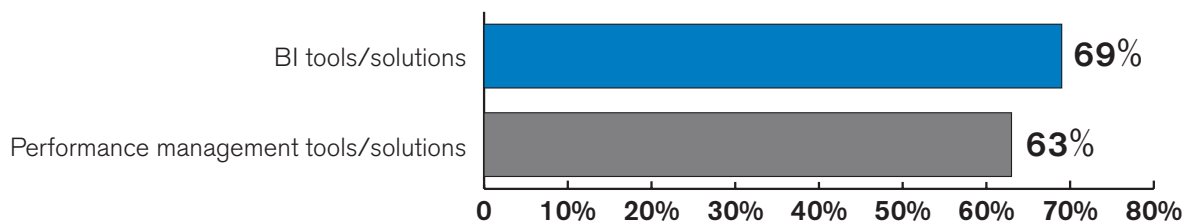
In January 2007, *Computerworld* invited its online visitors to participate in a survey on business intelligence (BI) and performance management tools/solutions. The goal of the survey was to better understand the issues surrounding BI and performance management implementation. The survey was commissioned by SAS, but data was gathered and tabulated independently by Computerworld Research. The following report represents top-line results of that survey.

Profile of respondents

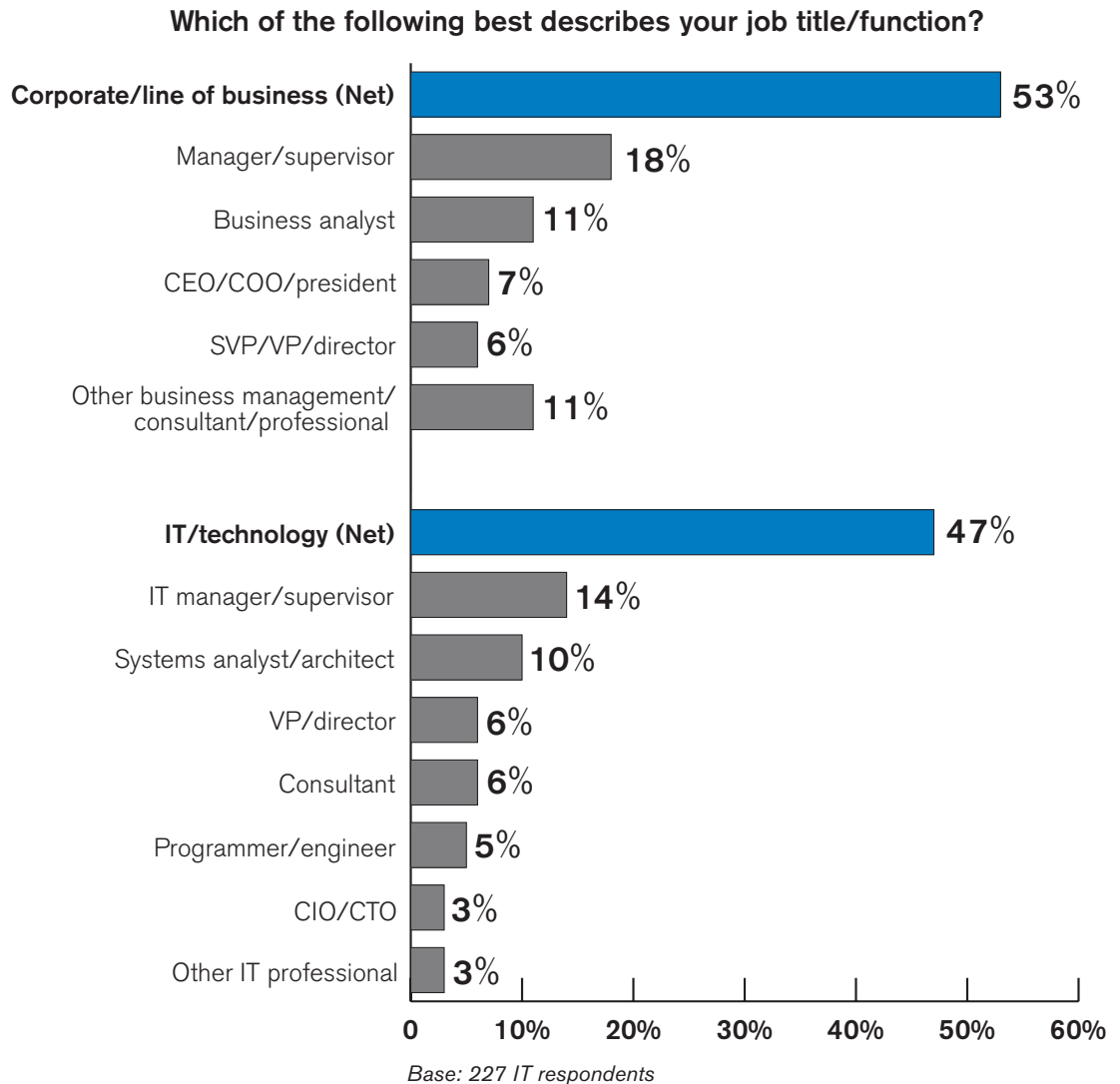
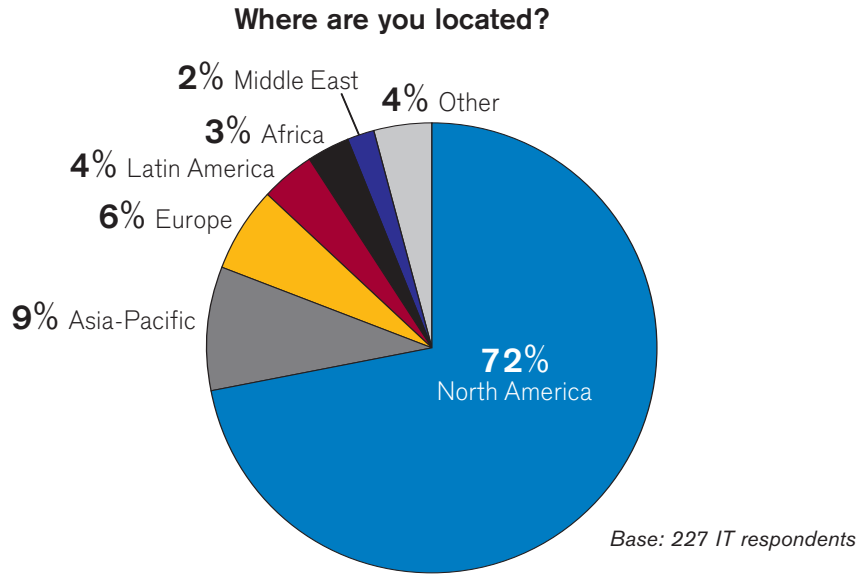
Total IT respondents: 227

All 227 IT respondents were qualified through a screening question as being personally involved in the acquisition of BI or performance management tools/solutions at their organization. Those not involved in at least one of these areas were disqualified from the survey. The chart below provides a breakdown of the percentage of IT respondents involved in the acquisition of BI and performance management tools/solutions. This chart is followed in coming pages by breakdowns of the IT respondents based on location, job title, company revenue and industry.

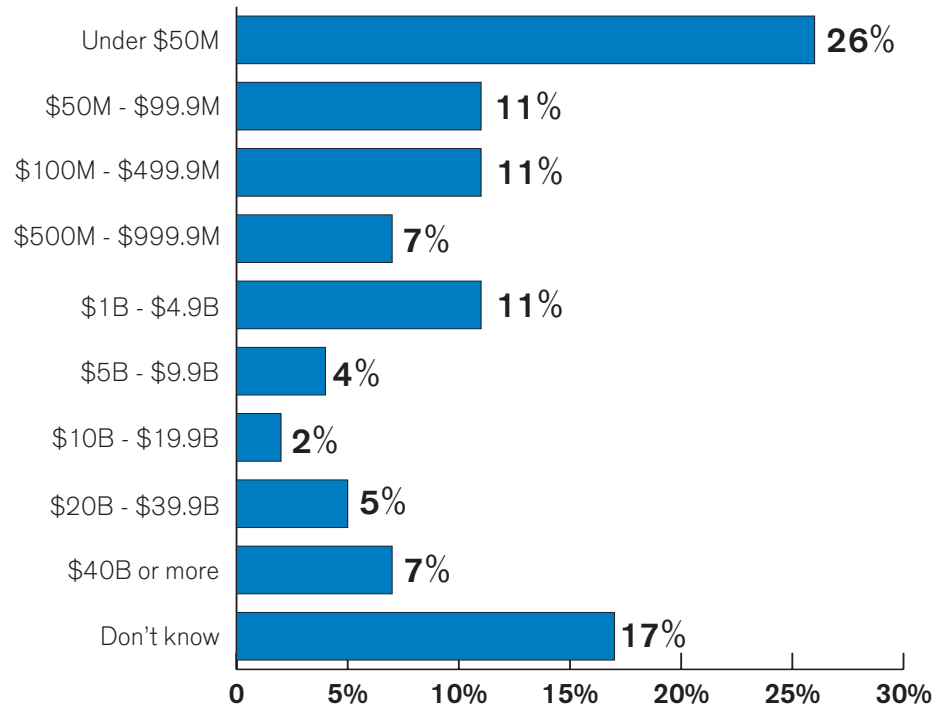
Are you involved in the acquisition of either business intelligence or performance management tools/solutions for your company? (Multiple responses allowed.)



Base: 227 IT respondents



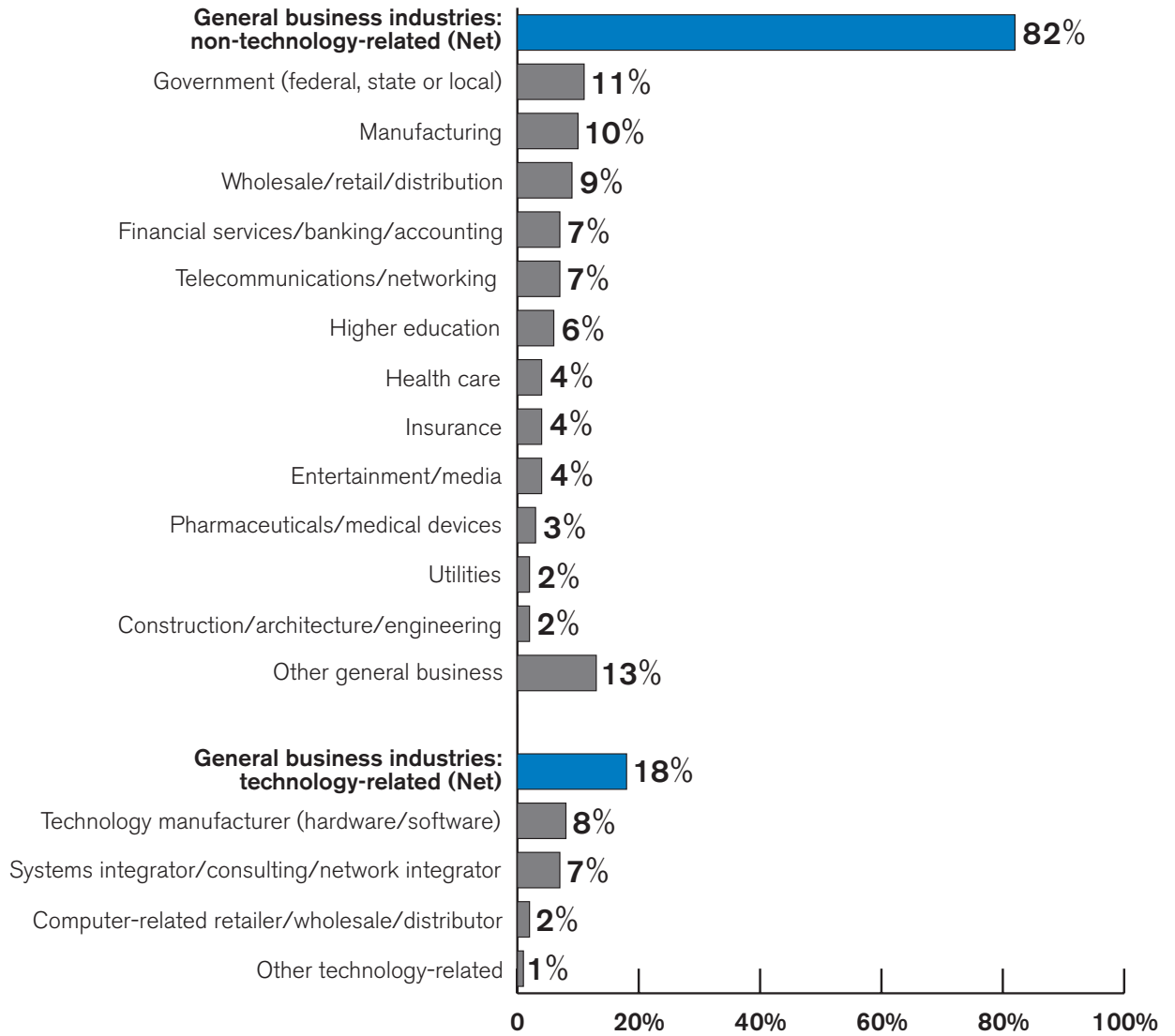
What are your company's estimated 2006 gross annual revenues?



Base: 227 IT respondents

Note: Percentages do not total 100 because of rounding.

What is your company's primary business or industry?



Base: 227 IT respondents



Executive summary

Several interesting findings emerge from the survey data. The first is the importance of analytics within the spectrum of BI functionality. When asked which tools they consider to be part of their BI solution, IT respondents named analytics more frequently than any other category. While IT respondents involved in the acquisition of performance management placed less importance on analytics than did their BI counterparts, analytics are the third-ranked tool for performance management, behind dashboards and enterprise/production reporting.

While IT respondents had some differing responses regarding the tools considered part of their BI and performance management solutions, the top benefit and challenge is the same for BI and performance management respondents. Improvement of the decision-making process was reported as the key benefit in both areas, while data integration with multiple source systems was identified as the largest challenge by both BI and performance management respondents. This top-ranked challenge shows that all organizations struggle with disparate systems trying to work in concert with new tools/solutions. It is important to note that many of the benefits and challenges of performance management are lower overall than the benefits and challenges of BI, possibly showing a lack of clarity in the marketplace regarding performance management tools/solutions.

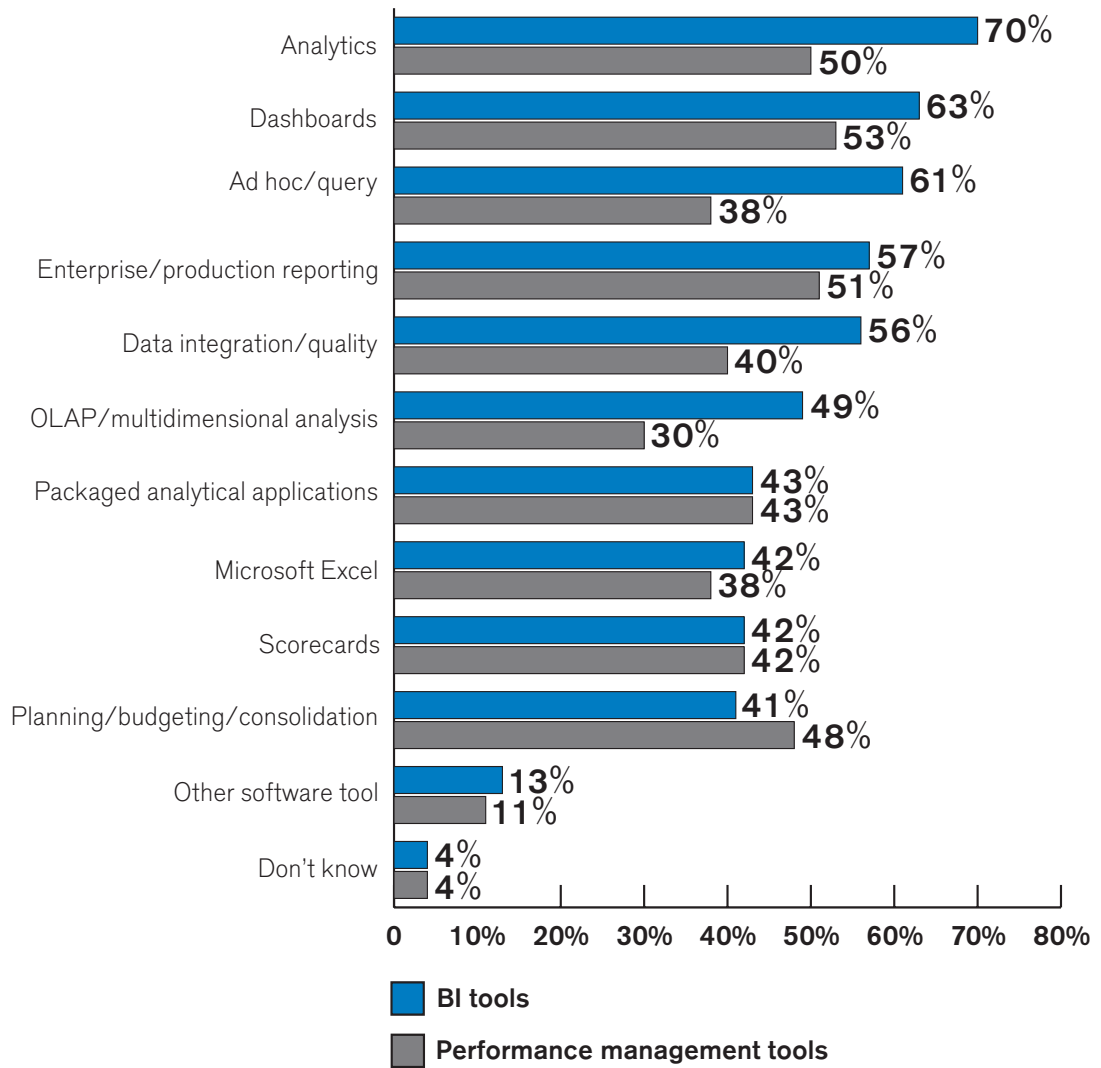
Another data point revealed by this survey is the implementation of both BI and performance management at the departmental level. Sales and executive management are the first departments implementing BI, while IT, executive management and customer support are the first departments implementing performance management tools.

Lastly, we see the opportunity for growth in the BI/performance management market, with more than half of IT respondents indicating that their companies' expenditures on BI and performance management tools will likely increase in 2007.

Software tools considered part of BI and performance management

When asked which tools they consider to be part of their BI solution, IT respondents most frequently mentioned analytics, dashboards, ad hoc/query, enterprise/production reporting and data integration/quality. Dashboards, enterprise/production reporting, analytics and planning/budgeting/consolidation are the software tools IT respondents most frequently reported to be part of performance management.

Which of the following software tools do you consider part of BI/performance management?



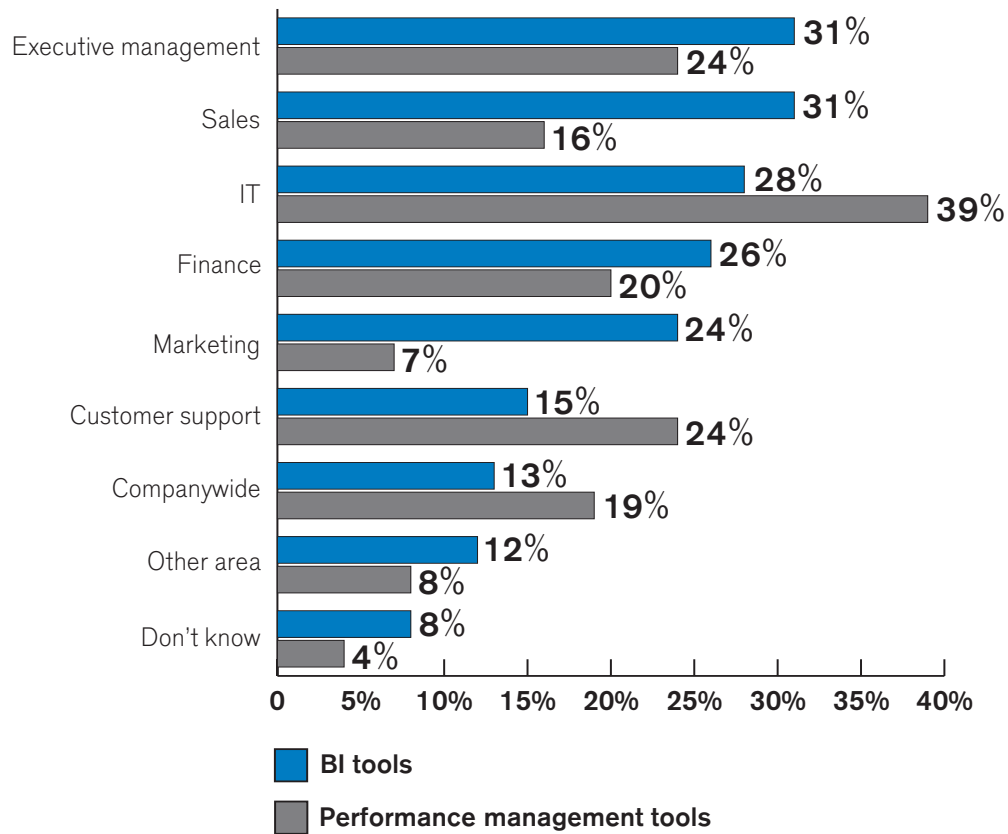
Base: BI tools – 156 IT respondents;
performance management tools – 142 IT respondents

Departmental implementation of BI and performance management

While it may seem to make sense to implement BI and performance management companywide right from the start, IT respondents to this survey showed it's not the typical approach for either solution. Only 13% of IT respondents indicated that their initial implementation of BI was done across the company, while all others started at the departmental level. Nineteen percent indicated that their initial implementation of performance management was companywide.

Sales and executive management were reported as the first departments to implement BI, at 31% each, probably in response to pressure from those areas for improved data availability. The IT department, a group that can test the tools before the rest of the organization sees them was cited most for initial implementation of performance management tools (39%), followed by executive management and customer support, at 24% each.

In which of the following areas did or will your company first implement a BI/performance management tool/solution?



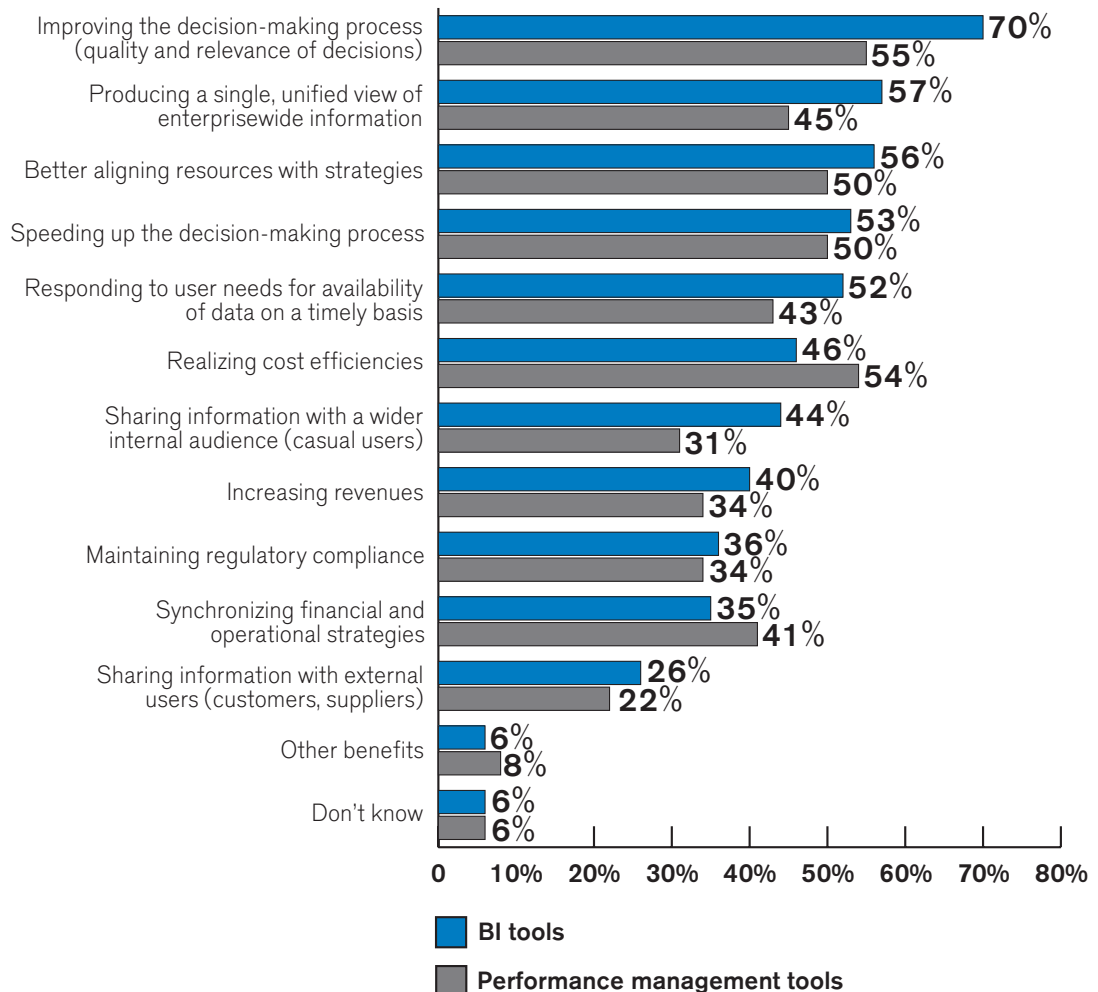
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Key benefits of BI and performance management tools/solutions

The key benefit that is derived or expected to be derived from BI and performance management tools is improvement of the decision-making process, such as the quality and relevance of decisions made. Seventy percent of IT respondents indicated this as the top BI benefit, and 55% indicated this as the top performance management benefit. Producing a single, unified view of enterprisewide information (57%), better aligning resources with strategies (56%), speeding up the decision-making process (53%), and responding to user needs for availability of data on a timely basis (52%) are the other top BI benefits reported by IT respondents.

Realizing cost efficiencies (54%), better aligning resources with strategies (50%), speeding up the decision-making process (50%), and producing a single, unified view of enterprisewide information (45%) are the other top benefits of performance management according to IT respondents. Besides realizing cost efficiencies, one other key benefit that came up more for performance management than BI was synchronizing financial and operational strategies (41%).

Which of the following key benefits does your company currently derive or would you expect to derive from BI/performance management tools/solutions?



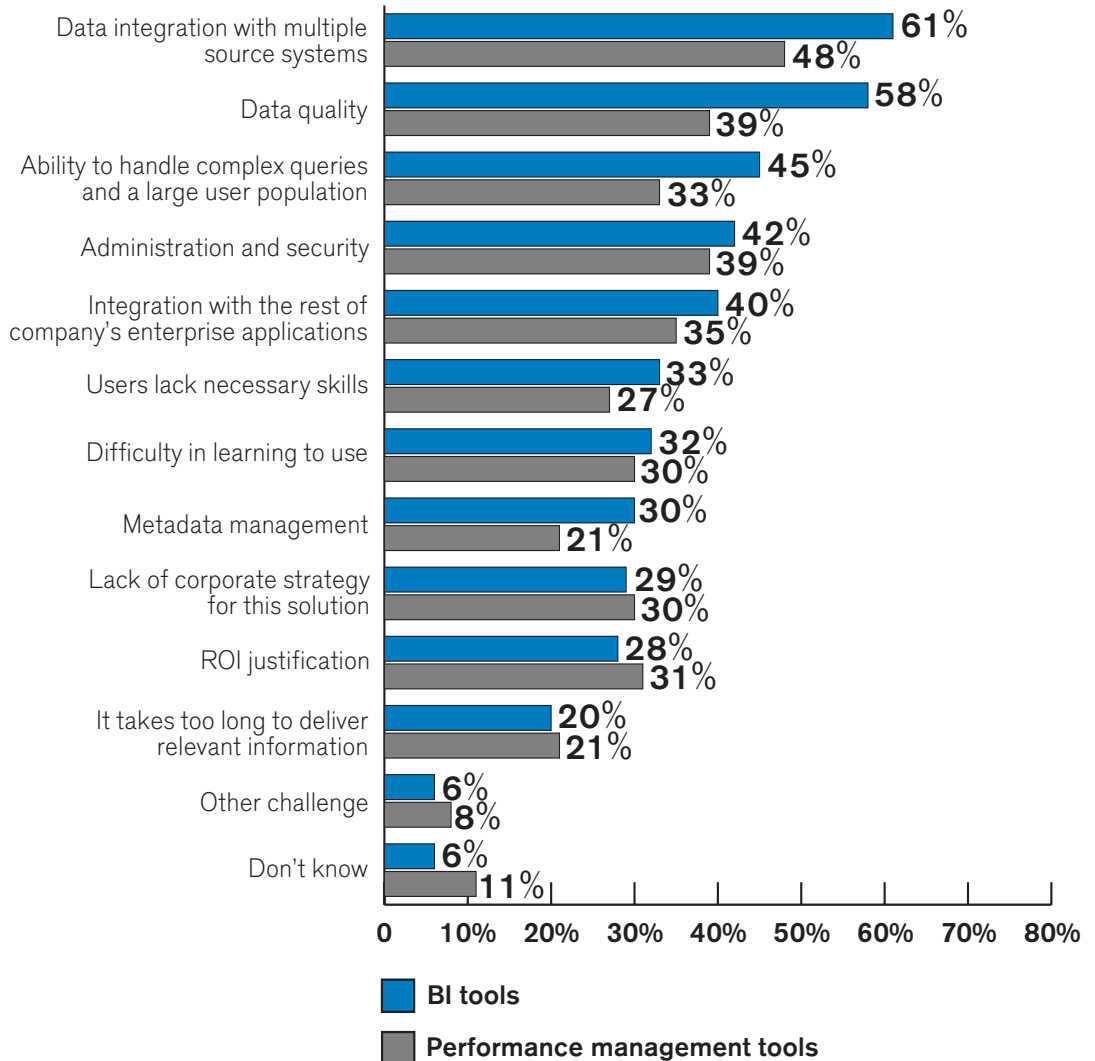
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Challenges of BI and performance management implementation

The key technology or business challenges faced or anticipated for both BI and performance management tools is data integration with multiple source systems, with 61% and 48% of respondents, respectively. This shows that all organizations struggle with the challenge of trying to get disparate systems to work in concert with new BI or performance management tools/solutions.

Five challenges listed in this question were cited by at least a third of the IT respondents, showing that organizations are dealing with a widespread number of challenges related to BI and performance management.

What are the key technology or business challenges your company has faced or expects to face in implementing BI/performance management tools/solutions?

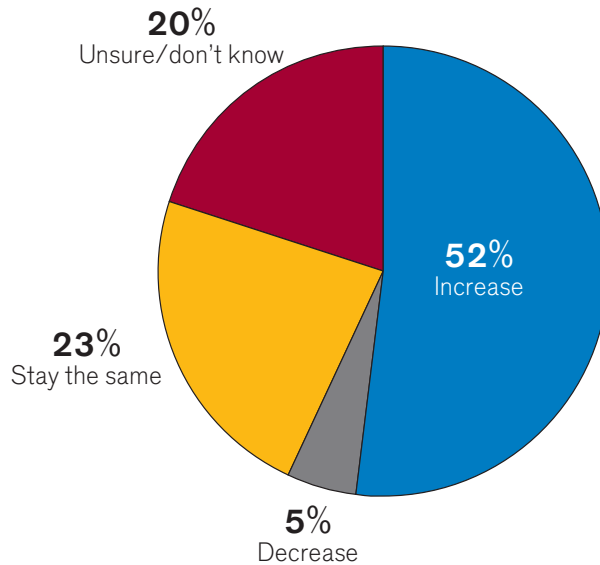


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BI and performance management expenditures

More than half of IT respondents indicated that their company's expenditures on BI and performance management tools will likely increase in 2007.

For 2007, will your company's expenditures for BI and performance management tools/solutions likely increase, decrease or stay the same as in 2006?



Conclusion

The nature of the top benefits and challenges cited by IT respondents make it clear that today's technology purchasers demand comprehensive and integrated BI and performance management solutions that can overcome challenges related to integrating data from multiple sources and data quality.

What are companies hoping to achieve with BI and performance management solutions? Seven out of 10 BI respondents and more than half of performance management respondents cited the desire to improve the decision-making process, including the quality and relevancy of decisions.

Vendors that have the technical expertise to deliver these benefits can expect to appear on the short lists of BI and performance management technology purchasers.