



February 12, 2008

Strong Partners Are Key To Successful BI Initiatives

by Boris Evelson and Tim Sheedy

for Information & Knowledge Management Professionals

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by **Boris Evelson and Tim Sheedy**

with Connie Moore and Norman Nicolson

EXECUTIVE SUMMARY

Business intelligence (BI) initiatives are unlike most other enterprise software projects. They do not fit well into the traditional software development life cycle (SDLC), and are notoriously difficult to outsource. Even though many enterprises have adopted some kind of data management reference architecture, BI is still very much an art. Successful initiatives are all about best practices and lessons learned that only come with years of experience. Therefore, selecting the right BI professional services partner is one of the most important keys to successful BI initiatives. Also remember that BI is never a project, but rather a journey. So pick your partners with extra care — you might be stuck with them for a long time!

TABLE OF CONTENTS

- 2 BI Is Now Front And Center On Most Enterprises' Agendas**
- 3 Strong Professional Services Partners Are Critical To BI Implementation Success**
 - Strategy
 - Methodology
 - Execution
 - Data Governance
 - Specialization
 - Vendor-Specific
 - Other Considerations

RECOMMENDATIONS

- 15 BI Is A Journey, Never Just A Project**
- 16 Supplemental Material**

NOTES & RESOURCES

Forrester interviewed JPMorgan Chase, TechPar Group, and UBS.

Related Research Documents

- "Forrester BI Consulting And System Integration Vendor Selection Tool"
December 27, 2007
- "Hiring Consultants: A Quick Guide"
November 12, 2007
- "It's Time To Reinvent Your BI Strategy"
October 23, 2007
- "Data Governance: What Works And What Doesn't"
September 10, 2007
- "Data, Data Everywhere!"
July 23, 2007



BI IS NOW FRONT AND CENTER ON MOST ENTERPRISES' AGENDAS

Enterprises are feeling multiple pain points around having to continually find new means and ways to compete in an increasingly commoditized economy.¹ BI applications, traditionally relegated to back- and middle-office functions and the realm of a few strategic decision makers, are now becoming key competitive differentiators for enterprises because:

- **It's becoming increasingly difficult for enterprises to compete.** Leapfrogging competition is no longer a trivial matter. Products and services are becoming increasingly commoditized, making it progressively more difficult to differentiate and innovate. As a result, enterprises concentrating mainly on efficiencies and productivity gains are seeing their steadily eroding profit margins becoming razor thin. We see many examples of commoditization all around us: manufacturing in a constant global outsourcing scramble, challenges to US pharmaceutical companies from generics manufactured in Canada and Mexico, the shattering of major airlines' traditional business models, and phone call prices trending to zero cents. To make matters worse, "the world is getting flat." Yesterday's opportunity to take advantage of geographic cost and regulatory opportunities is becoming a must-do imperative to avoid falling behind.²
- **Only change is constant.** The world is evolving much faster than businesses are capable of reacting. M&A, global expansion, regulatory changes, and environmental issues are but a few examples of the constant change in our lives. In the financial services industry, for example, the methodology behind economic capital calculation, according to Basel II, might change on a daily or weekly basis due to regulatory and competitive pressures.³ Most of today's BI systems are too rigid and inflexible to follow and support such rapidly changing, dynamic environments.
- **Explosive data growth demands serious attention.** Digital data volumes, both structured and unstructured, are growing by 30% per year, and will be approaching 1 zettabyte by 2010.⁴ That's a one with 21 zeros! The kind of lightweight, spreadsheet-based BI applications common today won't be up to reporting on and analyzing tomorrow's mountains of data.⁵
- **BI is no longer considered just one of the components of the full "stack."** BI cannot still be lumped in with other typical enterprise applications ubiquitous in any large, complex organization. Most enterprise apps simply automate business processes to deliver productivity and efficiency gains. But that alone is not enough to compete because efficiencies are becoming a commodity. Effectiveness is the next major competitive differentiator for businesses. For example, operational apps can efficiently process a customer credit application, but BI analytics can go further by segmenting a customer population and targeting credit offers to specific customer segments to improve response and cross-sell and up-sell ratios.⁶ This brings BI much closer to the front office and raises its visibility and criticality for business success. Think of how Dell propelled itself ahead of the competition by providing the service of giving each customer precisely the personal computer desired (effectiveness, insight into what the customer wants) with the highest volumes and lowest costs in the industry (efficiency).

The “average” BI project is considerably more complex today than it was five years ago. Not only are the businesses requirements more complex, but the software itself is more complex. Although BI software vendors talk about their “BI platform,” the availability of a single, integrated BI analytics and business performance solution (BPS) all running the same code base and using the same data integration services, metadata libraries, and business logic is, for most businesses, little more than a dream.

STRONG PROFESSIONAL SERVICES PARTNERS ARE CRITICAL TO BI'S SUCCESS

There are many reasons BI is, and will continue to be for the foreseeable future, nirvana for professional services firms:

- **The BI environment requires rapid prototyping.** BI does not lend itself to traditional SDLC, making it notoriously hard to outsource and offshore. A typical requirements gathering exercise ends up being an endless tug of war between “tell me what you need” and “show me what you’ve got and I’ll tell you what I want” questions flying back and forth among end users, business analysts, and IT. You can’t expect a clean set of requirements, neatly packaged and handed off to an in-house or outsourced development team, and get what you were expecting delivered in a few months. No. Real requirements only start pouring in when workers see something tangible in front of their eyes, and can play with different report designs in real time, using live data. This reality calls out for a collaborative, rapid prototyping environment with all parties in the same room at the same time actually delivering the first proof of concept in real time.
- **The BI stack has more than 50 components, requiring extensive integration and customization.** Even though some of the BI vendors (Business Objects, IBM, Microsoft, Oracle, and SAP) offer most of the components needed to implement an end-to-end BI environment, many lack every single component that is considered best-of-breed. Most organizations also still prefer to take best-of-breed components from multiple vendors and integrate, a trend likely to continue, especially now that BI will be used not just for reporting and analytics, but for competitive differentiation. As a result, Forrester rarely sees large enterprise-grade reporting and analytics environments implemented in weeks using off-the-shelf products. Typical BI integration and customization initiatives start at \$500,000 and take at least several months.
- **Market dynamics and the vendor landscape are changing rapidly.** BI vendor selection used to be simpler (always difficult, but simpler in relative terms) up until about a year ago, when acquisitions accelerated. Even though BI tool evaluations usually compared and shortlisted vendors against at least several hundred functional and technical capabilities, a rule of thumb always called for going with a “stack” vendor for homogeneous environments and with pure-play BI vendors in more complex, heterogeneous environments. This dynamic has changed completely in the last 12 months because all major stack vendors (IBM, Microsoft, Oracle, and SAP) have acquired one or more best-of-breed, pure-play BI vendors (Cognos, ProClarity,

Hyperion, and Business Objects, respectively).⁷ Microsoft has completely embedded ProClarity in its SQL Server BI and Performance Management Solutions (BPS) stack, and Oracle is well on the way to integrating some Hyperion products, while IBM and SAP are just starting the product integration journey with Cognos and Business Objects, respectively. And there are still several major BI vendors (SAS, MicroStrategy, Actuate, and Information Builders), and many more smaller BI vendors offering some or most BI stack functionality in different models (open source, software-as-a-service (SaaS), managed service providers).⁸ The bottom line: BI vendor selection has not gotten any easier.

- **Answers provided by BI applications are only as good as the questions.** Although there are many unexplored areas in BI (like automated data discovery), one that remains a total enigma is: I don't know what I don't know.⁹ Traditional BI will only provide answers that data warehouse models and report design will allow for. The convergence of search and BI is beginning to skim the surface of this dilemma.¹⁰ But there's nothing that any BI vendor or BI application can do to tell us that we might have asked a wrong question in the first place. For example, if a query returned and aggregated results from 100 rows of data, no BI solution will warn that you should have asked the question that would have returned another 10 rows relevant to your analysis.

Enterprises deploying BI will need help from consultants and systems integrators (SIs) for the foreseeable future, until BI becomes more of a science. It's still very much an art. All successful, complete, scalable, "industrial strength" BI solutions require customization, application of best practices, and a significant systems integration effort that is often provided by systems integrators and consulting firms (see Figure 1). Because true best practices do not evolve from implementing two or three BI applications, internal resources with dozens of successful BI implementation experiences are difficult to find.

Selecting a consulting and/or systems integration partner is one of several critical steps in implementing a BI solution within your organization. Partners can help with many steps of the implementation, from the birth of the concept through the solution's business benefit (see Figure 2). This document is focused on selecting the SI partner, the eighth step.

A good partner will increase the chances of success for your BI implementation. The categories below highlight the qualities you should seek in a BI partner and the questions you should be asking both yourself and potential partners when seeking a services provider to assist with your BI implementation.

Figure 1 BI System Integrators Landscape

Type	Examples
Global leaders	Accenture, Atos Origin, BearingPoint, Capgemini, Deloitte & Touche, Dimension Data, Hewlett-Packard (Knightsbridge), IBM, Siemens IT Solutions and Services, T-Systems Enterprise Services
Outsourcers	Computer Sciences, Perot Systems, RCG Information Technology
Offshore firms	Cognizant Technology Solutions, Infosys Technologies, MindTree Consulting, Mphasis, Patni Computer Systems, Satyam Computer Services, Tata Consultancy Services, Wipro
Midtier	Answerthink, Collaborative Consulting, Headstrong, LoganBritton Professional Consulting Services, Palladium Group
Boutiques	Acxius Strategic Consulting, Adastra, agileDSS, Analysis Factory, Andrews Consulting Group, Artis Consulting, Athena IT Solutions, Axis Group, Baseline Consulting Group, BI Inform, BI Results, BIScorecard, Blackstone & Cullen, Breakaway Technologies, Brightlight Consulting, BrightPoint Consulting, BrightStar Partners, BusinessEdge Solutions, Business Intelligence, Inc., CadenceQuest, Catalytics Group, CGI Group, Chapin Consulting Group, Claraview, Coffing Data Warehousing, Column5 Consulting, CONNECT: The Knowledge Network, Core Integration Partners, Creative Technology & Training Solutions, Conversion Services International (CSI), Data Management Group, DataSense Solutions, Dataspace, DecisionPath Consulting, Edge Associates, Eighty Twenty Plus, Enterprise Horizons, Envisn, Exigent Partners, Granite Falls Consulting, Greentree Group, HandsOn-BI (Claraview), Hexaware Technologies, Hired Brains, ICare, Information Management Group, Inductis, Infogain, 3i Infotech, Innovent Solutions, Intelligent Solutions, Ironside Group, ISA Consulting, JCB Partners, Latitude Consulting Group, LogicaCMG, Madrona Solutions Group, MakePlain, Merador, Nagnoi, Neudesic, NEXUS Consulting Group, Online Business Systems, OpenBI, Optwize, Perceptual Edge, Praxinet, PSC Group, Quantec, Resilient, Revere Group (NTT Data), Saama Technologies, SDG Group, S.i. Systems, SilverTrain, Soft Computing, Solgenia, Solien Technology, Sonata Software, Stonebridge Business Solutions, Strafford Technology, SysCore Solutions International, Systech Solutions, SYSTIME (CMS), Third Nature, twentysix New York, UFD, Universal Data Models, VIP, Visual ijo

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Source: Forrester Research, Inc.

Figure 2 The BI Strategy Best Practices Checklist

Best practice:	Check:
1. Start by picking a senior C-level (non-IT) executive to sponsor and champion data governance organization, someone who understands that without measurement (i.e., BI) there is no management.	<input type="checkbox"/>
2. Proceed to creating and empowering data governance and data stewardship organization.	<input type="checkbox"/>
3. Conduct analysis of the current state as a starting point of the BI strategy journey.	<input type="checkbox"/>
4. Define logical and physical data requirements that will serve as the basis of and drive the rest of the BI architecture.	<input type="checkbox"/>
5. Identify all types of users involved in the BI initiative. Remember: Not all users are created equal.	<input type="checkbox"/>
6. If appropriate to your organization, culture, and environment, start with an industry-standard analytical data model.	<input type="checkbox"/>
7. Make sure that all BI stack components (not just the obvious ones) are addressed in your BI strategy vision and architecture.	<input type="checkbox"/>
8. Pick a reputable systems integrator partner with an extensive BI strategy and implementation background.	<input type="checkbox"/>
9. Make sure that the strategic road map is divided into “baby step” tasks, with concrete deliverables no more than a few weeks apart.	<input type="checkbox"/>
10. Pick high-value, low-cost, low-complexity targets for the first few iterations to ensure initial success and momentum.	<input type="checkbox"/>

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Source: Forrester Research, Inc.

Strategy

Choosing a partner with a clear strategy for BI and BPS that embraces this vision within its own organization is a good starting point. Questions to ask include:

- **Does the firm have experienced BI people who understand the business and technical issues?** Look for a company you can trust, and recognize that trust is delivered by the people who end up working for you.
- **Does the firm have a clear BI vision, strategy, and roadmap?** This will give you a better idea of the type of solution you can expect and how the firm expects to help your business.
- **Does the firm have a good grasp of the BI market, both leading and emerging players?** Even though many services partners are vendor specific (i.e., they are a Business Objects (SAP) or Cognos (IBM) only partner), they should still watch the competitive landscape to understand where the market and technology set are going in order to fill gaps in their solutions portfolios.

- **Does the firm use BI technology within its own business?** These companies should be bleeding edge, or at least mature, users of BI technology themselves. This factor can often help differentiate the BI solutions providers from the BI body shops.
- **Does the firm understand how to make strategy actionable?** To develop a strategy is one thing, but to follow it through with clearly defined methodologies is something else entirely. Look for clear links between a firm's BI implementation methodologies (see below) and overall strategies. Also ask for case studies to determine how they have made their strategy actionable within other companies.

Methodology

The services provider needs to have a strong methodology for successfully designing and executing your solution. Among the questions you should ask are:

- **Does the firm have methodologies for BI architecture and implementation?** Is the services provider's reference architecture just pictures, or does the firm bring real BI collateral like data models, extract, transform, and load (ETL) modules for connecting to third-party application software, component libraries for common services (e.g., reference data integration and error handling), or pre-built reporting templates?
- **Does the firm have the skills and architectural know-how to design and implement the stack?** Some firms specialize in data integration and data modeling, some in metadata and master data management, others in building reports, dashboards, and other analytical applications. But these components are of little use if implemented separately. Also, BI does not exist in isolation, but rather is an integral part of the Information Workplace (IW) that includes collaboration, portals, search, and other critical components, and increasingly is crucial to business process management.¹¹ Putting together an integrated, end-to-end BI stack that fits into the overall IW strategy and architecture requires both specialization and an understanding of how all these components fit together.
- **How are the practitioners trained in these methodologies and toolkits?** Does the firm have a standard skill base (i.e., all consultants have a certain level of training), or do they train some resources differently (i.e., one team does the planning, another does the execution, and another manages the people)? Look for a skill base that will best complement your team.
- **How well can these methodologies be implemented within your business?** Methodologies are great if they are actionable within your business, but you need a good understanding of the methodologies before making this decision. The methodologies might be designed for organizations that have a clear grasp on their existing data and processes, and your organization might not have this. The least this question will do is help you understand what work you need to do before getting the BI project off the ground.

- **Have you and the firm defined a step-wise approach to the project?** Putting in place clear “gates” that should be passed through at multiple stages throughout the project will help ensure the success of the project. The services provider’s proposal should link to your business outcomes and reflect a staged approach to the solution. Remember that stages in a BI project should never be months (but rather weeks or, hopefully, days) in duration, since business requirements will surely change before you can deliver.
- **Does the firm have a methodology for ongoing project risk assessment?** Risk assessment is part of any strong project management capability. Outside of the standard, staged approach whereby risk is measured at set times throughout the project, your partner should be able to actively identify potential areas of risk and put in place measures to minimize harm to the project or scope creep. For example, most functional requirements start pouring in once the first proof of concept or prototype is rolled out. If not adequately addressed, end users will find it hard to resist requesting additional functionality, and IT will find it hard to control. Another example of risk is the technology itself. BI implementations typically depend on and affect many components like operating systems, database management system (DBMS) versions, and web server platforms, all of which need to work in unison. Because the number of permutations of different technology components working together is nearly impossible for BI vendors to test and certify, this type of integration testing often needs to be built into individual project plans.
- **How does the firm share and distribute knowledge?** Does the firm have centers of excellence or communities of practice around certain technologies, vendors, or practice areas? Does it have online knowledge bases to which the project team can refer in times of need? Does it have experts who can be brought into problem situations, and are those experts readily available? Such capabilities have the potential to minimize the impact of issues in the deployment process.
- **Does the firm encourage industry certifications?** Such certifications are an indication of a services provider’s commitment to training and the development of industry standard approaches to general and BI-specific project and SDLC methodologies.

Execution

The services provider’s ability to execute on its BI implementation plans is paramount to the success of your project. Proving this ability will be key to the partner being selected.

- **What value does the provider offer?** What price is the provider charging compared to its stated ability to meet or exceed your requirements? What pricing model does it offer: fixed price, risk/reward, or time and materials?
- **Does the firm have existing BI case studies?** These should have the same business outcomes you are seeking and be within the industry in which you operate. Ideally, you should be able to contact individuals in these companies to obtain references on the services provider.

- **Who will lead the project on the services provider's side?** This needs to be asked from both a business and technical standpoint. In the negotiation stages with your shortlist of services providers, you should determine who will be the on-site business and technical lead on the solution. The responses to questions about, for example, how many successful implementations the person has led in a similar industry and similar technical environment will help to narrow down the type of skills and partner you are seeking.
- **Does the firm have a strong project management office and methodology?** A good PMO will base project management principles on industry standard methodologies like PRINCE2 or PMBOK (Project Management Body of Knowledge).¹² If the firm you really want does not have strong project management skills and you do not have them internally, look to bring in an independent project manager from a recognized consultant in this field.
- **Are these methodologies tied to (or part of) the BI methodologies?** Have the BI methodologies been embedded in the project management methodologies? If not, are the two methodologies compatible or mutually exclusive? Because BI does not lend itself to the standard SDLC methodologies, BI project management templates need to be highly BI-specific. For example, one way to avoid typical BI scope creep is to build unit test cases as part of the functional requirements phase, not after the system goes into development, which is typically the case with other standard IT projects.
- **What percentage of the consultants has more than three years' experience in BI implementations?** Is there a healthy mix of business experts, technical experts, cheaper resources (university grads), and grey hair? Or does the organization hire primarily university graduates? Invariably, you often get what you pay for with systems integrators and IT consultants, but understanding your situation up front will give you a clearer picture of the types of challenges you will face during the project.
- **What is the onshore/offshore model?** If the firm plans to take work offshore, it is extremely important that it have a strong change management methodology and the ability to effectively capture the organization's requirements and work with the team offshore. Will the company have at least one person onsite during the project? Does this person understand your organization's culture and industry? What can sometimes work well is when the SI can bring business subject matter experts onshore for analysis and then truck them back offshore for testing and development support. Many questions need to be asked about your own organization's readiness to go offshore and the offshoring capabilities of your partner.¹³
- **How does the services provider deal with projects that "go south?"** Being able to run a project "by the book" is one thing, but turning failed initiatives around, and dealing with scope creep, poor design, and lack of stakeholder consensus, is an entirely different ball game, again, requiring years of experience and lessons learned.

Data Governance

A focus on data governance helps organizations successfully extract the most value from their data, and ensures that data input, cleansing, management, extraction, transformation, and loading processes stay true to the organization's requirements for actionable information.¹⁴ Questions to ask about data governance include:

- **Does this firm understand, embrace, and practice the concept of data governance?** A BI services provider should understand that good business intelligence begins with good data. The company should have the ability to assist with the set up of a data governance or stewardship strategy within your organization. Even if you choose to hold off on a full fledged data governance strategy, a good partner should be able to, during the course of a BI implementation, put some of the foundations in place for a better approach to data management and governance in your organization.
- **Can the partner demonstrate the benefits of data governance within your business?** Your BI partner should be able to explain and actively demonstrate how a data governance capability will improve the quality of your data and the validity of your decisions.

Specialization

Many organizations look beyond a partner's ability to provide the technological solution to also examine its ability to understand business processes and the problems and issues relevant to their industry and horizontal requirements. A number of emerging technologies that leading organizations are implementing in this business context might be relevant to your BI implementation. What you are looking for here is specialization:

- **By verticals.** Does the firm have the proven ability to deliver BI solutions within your industry or niche market? Does the firm understand your business issues, and can the consultants speak to the right people at the right level (i.e., speak technically to the IT staff and in business terms to the project sponsors)? How does the company spread industry knowledge internally (is it just the sales team and/or solutions designers who understand your business, or does the implementation team understand it as well)? Seek references and case studies. Request names and contact details from other organizations that have used the services provider previously.
- **By horizontals.** If your solution is focused purely on a horizontal solution (e.g., HR, finance, sales), ensure that your partner has proven capabilities in all of these areas and an understanding of the technologies that are implemented within your organization. Once again, seek references and case studies, and ask for names and contact details from other organizations that have used the services provider previously.

- **By application/user type.** Strategic BI applications used by senior managers and analysts to make a few critical decisions per month or week based on large complex data sets and historical patterns are just one type of BI app. These could not differ more in requirements, architecture, and delivery from tactical and operational BI applications used by the masses to make many decisions per day, sometimes based on single transactions occurring in near real time. Make sure your services partner understands the difference and has the necessary skills to address and link all BI application types.
- **Emerging BI technologies.** If you seek an advanced or leading edge solution, look for a provider that has the proven ability to deliver assistance with such latest technologies as the convergence of structured and unstructured data, operational BI, the mobile delivery of BI information, advanced data visualization, BI appliances, and very large databases (VLDB) (see Figure 3).¹⁵ These topics are emerging areas that many consultants would not have much experience with in the field.

Figure 3 Latest BI Trends

Emerging area for BI	Description	Examples
Convergence of structured data and unstructured content	This involves breaking down the barriers that typically exist between structured data in relational and hierarchical databases, structured documents like spreadsheets, and unstructured content like text, voice, and images. The combination provides a richer data set that delivers improved analysis and better insights and improves decision-making.	<ul style="list-style-type: none"> • Replacement of reporting/OLAP interface with a search interface familiar to casual BI users. • When an underlying engine determines that a search query refers to existing report names or metrics (facts, dimensions) from a structured data store, a report is retrieved or built. • Traditional data analysts benefit from familiar OLAP interfaces pointing to and seamlessly combining both structured data and unstructured content.
Operational BI	Also known as process-centric BI, operational BI involves the convergence of process and data analytics and/or BI embedded into business process management (BPM). This trend is the logical end-point for many BI solutions whereby the worker is taken out of the decision-making process and the decision is left to the application. (This is one reason application providers are buying BI vendors).	<ul style="list-style-type: none"> • Business activity monitoring (BAM): unified dashboards combine data and process information. • Actionable BI: An event (i.e., alert) triggered by a data condition activates a business process so the business event can be followed up and acted on. • Process-centric BI: reports, dashboards, and analytics are seamlessly embedded in appropriate steps of business processes and workflows.
Multichannel (including mobile) delivery of decision support data	This trend involves taking BI beyond the desktop to the factory floor, the field, or anywhere the data is required to make a decision.	Mobile, ATMs, kiosks, IVRs, POS, and other devices.

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Source: Forrester Research, Inc.

Figure 3 Major BI Trends (Cont.)

Emerging area for BI	Description	Examples
Advanced data visualization	This involves taking data beyond the spreadsheet into 3D visualizations, geographic representations, and fluid analytic reporting environments. Advanced data visualization is becoming popular in a number of industries, such as life sciences, oil and gas exploration, and financial services.	<ul style="list-style-type: none"> • Visual, actionable GUI • Visual query • Dynamic data content • Multiple linked visualizations • Animation • Geospatial representations
BI appliances	BI appliances are preconfigured portions of the BI stack that typically bundle hardware, operating system, DBMS, and sometimes ETL reporting and OLAP tools in a single offering that can be procured, installed, and become operational quicker than traditional separate tools.	<ul style="list-style-type: none"> • Hardware/software appliance-like bundles from traditional DBMS vendors like IBM, Oracle, HP, Ingres • True appliances from vendors like Datallegro, Netezza, Sun/Greenplum, Teradata • Virtual appliances (based on software partitions) from vendors like Business Objects • Specialized appliances like ParAccell that uses columnar DBMS technology or SAP BI Accelerator to speed SAP Netweaver BI queries
VLDB expertise	As databases grow beyond one terabyte or 1 billion rows, there are requirements to bring in people with experience in the VLDB environment.	<ul style="list-style-type: none"> • Scaling up and scaling out • VLDB specific DBMS partitioning, indexing, and caching techniques • Mixed workloads • Alternate approaches (in-memory, columnar DBMS) • Reporting/OLAP tool optimization (join optimization, set operation optimization, aggregate awareness)

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Source: Forrester Research, Inc.

Vendor-Specific

Whether you have already chosen your software vendor or are looking to have your partner help with that process, to determine whether the partner is committed to a single vendor or to finding the right solution for your needs the questions you need to ask include:

- **Which vendors does the services provider support?** If you seek a technology-neutral partner to help you select a BI software platform, you should understand the services provider's breadth of support for the major BI vendors and those specific to your particular market or industry.¹⁶
- **How many practitioners does the services provider have for each BI vendor tool set?** Remember, experience does not come just with training and certification, but only after having successfully implemented at least several solutions using that particular vendor's technology. Does the firm have dedicated teams for each vendor, or are the consultants skilled across multiple BI platforms? How are the practitioners trained? Does the company self certify and train or does it train with the software vendor? How many consultants are trained on each vendor tool set? This is important to know because the services firm might have deep expertise with one BI vendor tool set, but relatively little expertise with another vendor's products.
- **What other vendor relationships, reseller agreements, and so forth does the firm have?** Is there anything that might influence the firm's objectivity or ability to deliver the complete solution to your satisfaction?

Other Considerations

Other considerations that should be taken into account include:

- **Does the services firm have an established purchasing relationship with your enterprise?** Although the SI might be the best fit on all criteria, if your enterprise has highly formal (and tedious) sourcing procedures you might experience as much as a four to six month ramp time to bring a new approved vendor in.
- **Is the firm willing to share in both risks and benefits?** Professional services firms can significantly differentiate themselves by assuming a greater share of risk (as through fixed price contracting) or, even better, tying their real revenue opportunity to your realization of benefits.
- **Is there a culture fit?** Services providers that conduct forced marches of your people and their staff frequently wear out their welcomes. Similarly, firms that hover by the cash register at every change order soon become intolerable. You want an SI that can transfer skills to your staff, that prices change orders within your tolerance, that respects the work-life balance of your people, and that adapts to your culture for communications, confrontation, and issue resolution.

Team

Remember our “BI is art, not science” statement? This means that after evaluating a partner by all the criteria listed above, the quality of the engagement team and its prior experience with the problem set at hand is far more important than any combination of other factors. We know of several instances of services providers that scored quite high on all the capabilities outlined above, but were unsuccessful because they didn’t bring the right business subject matter expertise and technical leadership to the project.

RECOMMENDATIONS

BI IS A JOURNEY, NEVER JUST A PROJECT

Remember, BI is never a project, but rather a journey. It’s easy to start, but you’ll never finish because new requirements will keep pouring in as more workers, and different types of workers, are added to the mix, and the user community discovers innovative ways to find and apply information to decision making. So pick your partners with care; you might be stuck with them for a long time!

- **Use the questions provided in this document to grill potential suppliers.** Along with the questions we listed, add any others relevant to your specific BI implementation, and use them as your checklist for scoring the partners. Make this an open process so that the services providers understand what they are being scored on and what characteristics they need to exhibit to excel.
- **Ensure that you deploy the skills where they are required.** A partner cannot succeed without your assistance in helping it understand your business and challenges. Use your partner’s skills where you are lacking and your own skills where the partner is weak. Aim to have a fully integrated team such that you don’t know where the services provider’s starts and your organization stops. For example, you might use your own database architect (DBA) who knows your DBMS environment inside and out but has mostly online transaction processing (OLTP) skills. Supplement that person with a multidimensional data modeler and DBA who brings skills specific to designing and optimizing dimensional schemas like star or snowflake.
- **Ensure that each person on the team has actual relevant experience.** Insist that your partner bring on site actual people identified in the proposal. Do not accept, or at least carefully question, all substitutes. A person just trained in a tool does not equal a person with two or more years’ hands on experience with that tool. And someone who has done only one or two BI implementations cannot possibly have the same breadth and depth of lessons learned and best practices assimilated as a person whose background includes 10+ implementations.

SUPPLEMENTAL MATERIAL

Companies Interviewed For This Document

JPMorgan Chase

TechPar Group

UBS

ENDNOTES

- ¹ Research on BI service providers was originally published for sourcing and vendor management professionals in January 2008; however, this document highlights additional results of that research for information and knowledge management professionals. See the January 23, 2008, "[How To Pick The Right BI Service Provider](#)" report.
- ² As technology has made it easier for innovators across the globe to participate in the world economy, competition from overseas outsourcers is becoming increasingly fierce. Source: Thomas Friedman, *The World is Flat: A Brief History of the 21st Century*, Farrar, Straus, and Giroux, 2005.
- ³ Source: Basel II: International Convergence of Capital Measurement and Capital Standards: A Revised Framework (<http://www.bis.org/publ/bcbs128.htm>).
- ⁴ In 2003, the University of California, Berkeley conducted a study to estimate the amount of new information that is created each year. Source: Peter Lyman and Hal R. Varian et. al., "How Much Information? 2003" (<http://www2.sims.berkeley.edu/research/projects/how-much-info-2003/index.htm>).
- ⁵ It is becoming increasingly challenging to process and analyze the mountains of digital data being produced by the information revolution. See the July 23, 2007, "[Data, Data Everywhere!](#)" report.
- ⁶ As TIBCO recently demonstrated by buying Spotfire, a small but visionary business intelligence (BI) vendor, the next strategic move for organizations seeking business optimization will be to leverage BI and BPM to visualize process metrics and business results together and, more important, turn transactions into decisions. If BI vendors don't put greater emphasis on this very real business optimization trend soon, they'll be outflanked by BPM vendors that are busy reinventing BI and moving aggressively into the emerging business optimization market. See the September 19, 2007, "[From BPM To Business Optimization](#)" report.
- ⁷ With the announcement of the Hyperion acquisition, Oracle did, once again, what it does best, made a bold play to absorb a key competitor's technology and customer base. See the March 19, 2007, "[Hyperion Acquisition Boosts Oracle's Position In Business Performance And BI](#)" report.

SAP, in a complete turnaround from its prior organic growth and "tuck-in" acquisitions strategy, announced its intention to acquire Business Objects on October 7, 2007. See the November 5, 2007, "[SAP Changes Course With Major Acquisition](#)" report.

IBM's planned acquisition of Cognos is cleaner in terms of minimizing product overlaps than the other

two, but raises interesting questions about IBM's partner relationships and long-term strategies. Forrester believes the BI and BPS markets will continue to consolidate around these four large vendors, but will not be commoditized anytime soon. See the December 27, 2007, "Cognos Acquisition Puts IBM In Thick Of BI Race" report.

- ⁸ Business intelligence (BI) software buyers in enterprises face a challenge: whether to include small vendors when evaluating BI products. Although large, mainstream BI vendors will disagree, their products have catered primarily to highly skilled IT users. One look at these products' complex architectures, multiple layers and components, and integration and support options reveals that these are tools targeted to IT professionals, not business users. Forrester is now seeing an influx of small BI vendors that cater directly to business users, promising simplicity, flexibility, and little reliance on IT. But watch out for vendors that lack functionality needed for large enterprise implementations like metadata, semantic layers, robust security, and scalability. Source: Forrester's Vendor Product Catalog: Business Intelligence (<http://www.forrester.com/rb/vpc/catalog.jsp?catalogID=36>).
- ⁹ Even the data integration layer of the BI "stack," where most practitioners agree that some commoditization might be occurring, is experiencing a wave of innovation from a set of emerging vendors that provide automated data discovery or data discovery accelerators. Watch this important trend, as data discovery and integration are usually the most complex and resource-intensive parts of the typical BI initiative, and where many BI initiatives fail. See the June 21, 2007, "Continued Innovation In Business Intelligence: Data Discovery Accelerators" report.
- ¹⁰ Business intelligence vendors are known for their ability to ingest and analyze structured data from relational databases and surface patterns and trends that help guide business decisions. Conversely, lesser-known text mining vendors like Inxight specialize in gleaning information from unstructured text like emails, documents, blog sites, and Web pages and automatically tagging and quantifying it for analytical purposes. These two capabilities together are a powerful combination for applications like fraud detection, risk management, eDiscovery, quality improvement, and a host of other information-intensive initiatives within organizations. See the May 31, 2007, "Business Objects Buys Into Unstructured Information with Inxight Software" report.
- ¹¹ Today's information worker relies on a disjointed set of office productivity, content, collaboration, and portal tools. The Information Workplace (IW) will be made much simpler and yet richer than today's by: incorporating contextual, role-based information from business systems, applications, and processes; delivering voice, documents, rich media, process models, business intelligence, and real-time analytics; integrating just-in-time eLearning; and fostering collaboration. The IW using a service-oriented architecture will be rich with presence awareness, information rights, and personalization, and will provide offline and online support for a plethora of devices. As this unfolds, information work will expand beyond traditional knowledge workers. See the June 1, 2005, "The Information Workplace Will Redefine The World Of Work At Last" report.
- ¹² PRINCE (PRojects IN Controlled Environments) was first developed by CCTA, now part of OGC, in 1989 as a UK Government standard for IT project management. Initially developed only for the needs of IT projects, the latest version, PRINCE2, is designed for all types of management projects.

- ¹³ The shift to offshore IT services providers can be challenging depending on your existing IT processes. See the January 8, 2007, "[Assessing Offshore Readiness: IT Process Readiness Tool](#)" report.
- ¹⁴ Until you understand and embrace data governance, your information management initiatives won't deliver their promised value. Effective governance requires that organizational roles and responsibilities including ownership of the processes and policies by which information is captured, maintained, and consumed be defined. Unfortunately, no single governance model works for everyone, so your first challenge will be to develop the unique governance model that will be successful for your organization. See the September 10, 2007, "[Data Governance: What Works And What Doesn't](#)" report.
- ¹⁵ Traditional text-based methods for searching, displaying, and interacting with information are challenged to keep pace with a person's need to quickly scan, interpret, and act on contextually relevant information. Current user interface (UI) methods are becoming less efficient and outmoded as information relationships become more complex. Over the next three to five years, visualization will supplement and replace current UI methods. Specifically, traditional row and column layouts will be replaced with spatially oriented clusters of information in which lines will depict data relationships and workflow and the screen will respond dynamically, in real time, to the user's interactions. See the October 16, 2007, "[Visualization: Time To Take On Text Interfaces?](#)" report.
- ¹⁶ Although the market is consolidating, there are still many vendors in the BI software space. Source: Forrester's Vendor Product Catalog: Business Intelligence (<http://www.forrester.com/rb/vpc/catalog.jsp?catalogID=36>).

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