



Recent Dialogues on Business Intelligence Reinforce Need for Real-Time Data and a Tight Connection between Business and IT Executives

Ness Technologies and CIO Magazine recently hosted a series of Dialogues on Business Intelligence. Lane F. Cooper, Editorial Director of BizTechReports.com, was the moderator for these Dialogues. In this Topic Brief, Lane details the insights he gained from IT and business executives that participated.

We are at an interesting juncture in the evolution of business intelligence (BI) – particularly as it relates to what it is that BI is expected to deliver to the enterprise. In the wake of a series of roundtable discussions, organized by Ness Technologies, with over a dozen senior IT and business executives in industries ranging from healthcare, finance, retail, manufacturing and professional services, three major areas of consensus emerged:

- **Accurate, Timely Data is Critical to Navigating a Volatile Economy** - The importance of gleaning critical insights from data in enterprise systems has never been greater. The more volatile the economy becomes, the more important it is to get the most current and reliable data into the hands of decision-makers.
- **Data Can Bring Competitive Advantage** - The ability to mine, consolidate and present information from disparate systems – within and outside of the corporate firewall – is the key to leveraging BI into a tool that contributes directly to competitive differentiation.
- **BI Breaks Down Barriers Between Business and IT Execs** - BI is among the elite set of technologies in which both IT and specific business units must be equal partners, if meaningful success is to be achieved.

“ It is no longer good enough to have a real-time understanding of what is happening today, we need to be able to leverage BI tools to anticipate developments that are likely to occur so that IT and business units can plan accordingly.” ...*San Francisco participant from a large healthcare organization*

The roundtable meetings, held in New York and San Francisco, revealed that there is still a high-level of frustration over the ability to quickly gather and analyze information from disparate systems. Often this is because the BI tools that are most commonly used are those that come in the packaged enterprise solution suites (ERP, CRM, SCM), rather than dedicated solutions or implementations that are designed to work in a heterogeneous environment.

As a result, a lot of analysis performed by business decision makers occurs on spreadsheets and other local analytical applications. This can create serious problems. When data is separated from its native environment and is manually processed, it is prone to errors during the manipulation process. Meanwhile, non-live data that is not real-time immediately begins to age, leaving decision-makers to



work with spreadsheets containing out-dated information. This is highly undesirable especially in a dynamic often volatile business environment like the current one. Indeed, according to analysts at Gartner:

“The world has dramatically changed in the last two years. Global markets are more interconnected and volatile, the pace of change is faster, and traditional relationships have shifted dramatically. Gartner’s new research shows that in this new environment, the ability to detect, anticipate and act quickly and effectively on ‘business patterns’ is critical to building competitive advantage.¹”

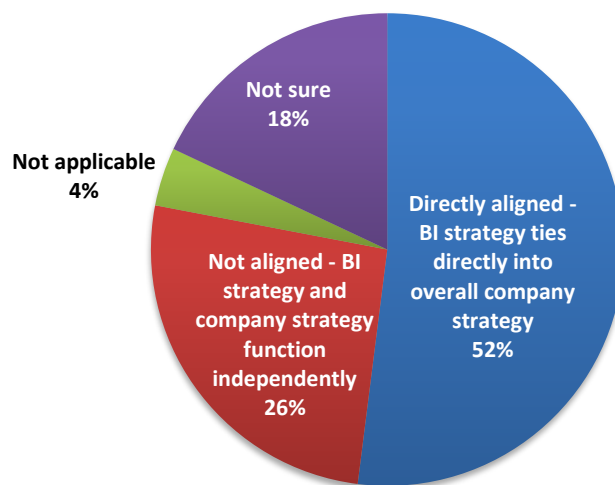
In fact, executives are increasingly expecting BI initiatives to offer glimpses into the future. That is why the predictive analytics associated with a BI strategy seems to be a rising requirement. In the words of one of the San Francisco dinner guests, “It is no longer good enough to have a real-time understanding of what is happening today, we need to be able to leverage BI tools to anticipate developments that are likely to occur so that IT and business units can plan accordingly.”

Strengthening IT and Business Unit Ties

Because of this need for current, accurate, and even predictive data analysis, BI is turning out to be a technology-enabled business activity that is bringing IT and business executives together. It represents a platform that can tighten the bonds between IT and other disciplines in the enterprise. The Ness Dinners in New York City and San Francisco featured pairs of participants from organizations that had developed cross-disciplinary teams of executives who share responsibility for designing and deploying BI strategies. This type of approach, where business and IT work together, greatly contributes to effective alignment between the systems and technologies that gather and process data, and the purposes/activities that decision-makers will use the data for.

This phenomenon is part of a trend. A recent CIO Market Pulse Study that Ness sponsored in late 2009 showed that just over half (52 percent) of respondents reported that BI initiatives tie directly to overall company strategy. One can fully expect that number to go up by the end of 2010 as the ability to understand breaking developments and shifting trends in the market become even more critical in today’s volatile environment.

BI strategy alignment with overall strategy



¹ <http://www.gartner.com/it/page.jsp?id=1295220>



Integration Remains the Holy Grail

For this reason, we expect that there is going to be greater demand for BI solutions that are tailored to the needs of specific, line-of-business requirements – as opposed to using the "bolt-ons" or "modules" that come part-and-parcel with many enterprise applications. BI is rapidly evolving past the stage of being an "afterthought" that matters to only a narrow organizational constituency. It has become a much more important technology-enabled business tool that directly affects a broadening spectrum of key decision-makers.

However, the key to meeting the needs of a growing non-technical, decision-making constituency, will be to effectively and comprehensively integrate BI technologies into critical operations. This will not only yield greater transparency and visibility into current operations, but will also offer the ability to gain better insight into what may be coming down the pike. Achieving this sophisticated state of implementation will require even more team-work between business and IT leaders.

Today, according to the Ness Technologies/CIO Market Pulse Study, BI is driven almost half (49 percent) of the time by senior IT management and 38 percent of the time by executive/corporate management. By the end of the decade, it is highly likely that there will be more parity between these two groups. 2010 will be a year that sees IT and senior executives do a better job of shouldering the BI burden together. One guest at the NYC BI Dinner said "I am optimistic about IT and business working together at my organization. We need this type of integration to ensure that the decisions we make around BI not only make sense from an IT perspective but are also strategic from a business perspective."

A couple of things companies can do to facilitate integration between business and IT and increase the likelihood of a successful BI initiative are:

- Structure a BI team that includes IT and business people from different levels, not just senior management. On the IT side, this could be a database administrator (DBA) or an extract, transform and load (ETL) leader or an architect. From the business side, a business analyst would make sense. A team comprised of business and IT people at a variety of levels promotes alignment as well as regular two-way communication between IT and business.
- Create a contract between business and IT that clearly documents what the business needs, what IT will provide, what the key dates are, and what metrics will be used to measure success. This type of contract, that both business and IT sign, can lead to a smoother process and increase the delivery of a highly successful BI solution.



Those organizations that can effectively bring IT and business together for BI initiatives and align BI with overall business strategy will have a competitive edge over those organizations in which BI is almost strictly driven by the IT department, or who are implementing BI in a tactical manner.

Contact Ness Technologies today to initiate a conversation about making BI work at your organization. www.ness.com/bi.

About Ness Technologies

Ness Technologies (NASDAQ: NSTC) is a global provider of IT and business services and solutions with specialized expertise in software product engineering; system integration, application development and consulting; and software distribution. Ness delivers its portfolio of solutions and services using a global delivery model combining local, near-shore and offshore teams. Ness has over 7,800 employees, maintains operations in 18 countries, and partners with numerous software and hardware vendors worldwide. For more information about Ness Technologies, visit www.ness.com.

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Three Steps to a Successful BI Initiative

1. Align BI initiative with overall business strategy
2. Build a BI team with business and IT people at all levels, from senior management on down
3. Create a contract, signed by business and IT that clearly defines objectives, responsibilities, dates and metrics.