Seven Key Readiness Factors for BI Success

“The general who wins the battle makes many calculations in his temple before the battle is fought. The general who loses makes but few calculations beforehand.

The art of war teaches us to rely not on the likelihood of the enemy’s not coming, but on our own readiness to receive him.”

— Sun Tzu, The Art of War

In his treatise, The Art of War, Sun Tzu often stresses the importance of preparation and readiness as keys to military victory. While many business people have adapted Sun Tzu’s writing to business strategy, we believe there is also a direct link between Sun Tzu’s description of preparation and readiness and developing a successful business intelligence program. While the idea of preparation and readiness may seem simple enough, many BI initiatives have failed due to lack of business-driven plans and/or lack of the right resources, skills, policies, and methods to deliver and leverage BI successfully. In other words, the companies that failed were neither prepared nor ready – and that is a shame since the route to BI success is so well known.

Through our experience as consultants, educators, and best practice judges, we’ve been able to identify a number of best practices that successful companies use to drive value from their BI programs. We’ve consolidated these into seven key readiness factors to which companies must pay particular attention if they hope to achieve a significant bottom-line impact from business intelligence.

In this whitepaper, we’ll examine each of these seven factors, looking at how each factor is defined, why it’s important, key questions you can use to determine your company’s state of readiness, and what to do if you find that your company is strong or lacking in one or more area.
BI Readiness in Context

Before we jump into the seven readiness factors, it’s important to frame these factors in the context of a business-centric approach.

A Business-Centric Approach to BI

In a traditional approach, SMEs provide input for their needs, which are often limited by a fairly narrow definition of BI’s role. In a recent survey of business users, the most common descriptions of BI was either “traditional reporting, but using newer/better technology” or an “analytical tool for analysts and power users.” Far fewer (about half as many respondents) viewed BI as a mission critical system that drives business processes and profits. In such an environment, we find that companies have a vague sense of what value BI can provide. As a result, they develop very generic requirements that focus on the technological aspects of BI with statements such as:

- Produce enhanced organizational capabilities to manage data and information as organizational assets.
- Provide a single version of the truth.
- Enable consistent and reliable access to accurate corporate-wide data.
- Provide more sophisticated reporting and analysis, faster turnaround, improved accessibility, and enhanced quality.
- A single touchpoint where detailed transactional information can be filtered on user-entered selection criteria, viewed online, downloaded in standard file formats and used to generate real-time results.

The traditional approach limits the benefits a company can derive from BI (even the most technically successful programs) because it doesn’t clearly link BI with the core business processes through which business results are achieved.

A business-centric approach, on the other hand, starts with an understanding of business strategies and needs. Finance, for instance, may need BI to help provide greater insight or more granularity in the relationship between operational performance and financial results. Sales and Marketing may need BI to optimize sales and distribution channels, or acquire and retain customers. Operations may need greater granularity into operational processes to manage and monitor costs or to obtain operational performance information timely enough to take appropriate corrective action.

“Business-centric approach starts with an understanding of business strategies and needs.”
Our understanding of the business context for BI applications sets the stage for subsequent success, and this is a critical difference between traditional development and Business-Centric BI Development. Business-Centric BI Development encompasses a broader set of activities aimed at ensuring that BI investments deliver measurable and meaningful business value. As a general proposition, using BI to deliver business value means driving the use of information, analytical applications, and/or structured decision-making into management processes and/or business processes that directly impact profit (private sector) or productivity and service (public sector). The activities and deliverables encompassed by Business-Centric BI Development are designed to:

- Make the linkages between strategy, key business processes, and BI opportunities explicit.
- Characterize the specific means by which profit, productivity, and or service will be improved by any given BI opportunity.
- Evaluate all BI opportunities as part of a BI Portfolio.
- Manage the business process changes required to capture the business value of each BI investment.
- Work seamlessly with the appropriate traditional technical development method to deliver information, analytical applications, and structured decision processes.

### BI Pathway Method: A Business-Centric Approach to BI

**Roadmap Phase**
- Create a BI Strategy
- Assess BI Risk
- Develop BI Roadmap

- BI Opportunity Portfolio
- BI Alignment Governance and Risk
- Define Data Architecture and Technical Strategy

- BI Business Case
- BI Delivery Risk
- BI Source Data Analysis

- BI Requirements Definition
- BI Business Adoption Risk

**Deliver and Impact Phase**
- Execute BI Projects
- Leverage BI for Business Results

- Design and Prototype
- Implement Business Process Change

- Develop, Deploy and Support
- Measure Adoption and Usage

- Measure Business Results and Set New Targets

**Continuous Assessment and Improvement**
To take a closer look at this process – conceptually – the above chart shows the business-centric approach. As you can see, our approach has two distinct phases, the ROADMAP PHASE, in which a company ensures that there is a clear alignment between the overall BI Program and business goals, objectives, strategies and priorities, and the DELIVER AND IMPACT PHASE, in which a company utilizes data warehousing best practices to design and develop BI applications that will support improved business performance.

Each phase is broken down into a systematic series of steps and sub-steps. In the roadmap phase, the purpose of Creating BI Strategy is to specify business needs in order to determine how to use BI to improve profits and business performance. In order to determine and actively manage barriers to success, and address changes needed to govern, deliver, and leverage BI, it’s crucial that a company Assess BI Risks. The purpose of Developing a BI Roadmap is to determine how to proceed based on a thorough understanding of business priorities and an assessment of known risks. The roadmap produces a portfolio of prioritized BI projects and a plan that sets forth the optimal path forward, from both a business and technical perspective.

In the deliver and impact phases there are two main steps. First is Executing BI Projects which is needed in order to leverage BI/DW best practices to design and deliver high-impact BI applications in a way that best fits your organization. The purpose of Leveraging BI for Business Results is to capture the planned ROI through continuously improving core business processes by leveraging BI. Of course the entire process is a constantly evolving one, and as BI programs mature, companies will assess, adjust and refine this program based on results.

In short, being prepared with a business-centric approach to BI increases the likelihood of your BI program having a bottom-line impact. In order to know if you’re able to capitalize on your business-centric approach, it’s important to determine your organization’s BI readiness with the seven key readiness factors.

“While the concepts of BI readiness and BI maturity are related, they’re often mistakenly used interchangeably.”
BI Readiness vs. BI Maturity

One of the obstacles companies face when trying to understand their state of readiness is the confusion between BI readiness and BI maturity. While the two are related, they’re often – mistakenly – used interchangeably. To us, readiness is a somewhat broader concept that combines factors that are pre-conditions for “doing” a BI initiative at all – like a pre-flight checklist – with concepts of maturity applied to both the delivery and use of BI.

For example, a readiness factor is funding, which a company must have to do BI at all, and a maturity factor is the degree to which a company has leveraged BI capabilities beyond basic operational reporting. It is quite possible for a company to actually be mature in its use of, say, advanced and predictive analytics, but to be immature from the perspective of how the information is staged and delivered for those uses, and to lack readiness from the perspective of having the skills to design and develop a data warehouse to provide integrated data for advanced BI applications.

The foregoing suggests a couple of states:

- **Mature but not Ready:** We have seen companies that are very proficient at using Excel and SAS for advanced and predictive analytics but that lack the skills, sponsorship, and funding to design and develop an enterprise data warehouse to enable broader use of BI to improve profits. One good case in point is a multi-billion dollar hospitality company we’ve worked with: While they pioneered sophisticated revenue optimization techniques that drove competitive advantage for years, at the same time, they lacked the BI and DW readiness required to deliver a campaign performance measurement BI application.

- **Ready but not Mature:** We have seen companies who invest (sometimes heavily) in deploying BI/DW platforms (aka tools, or technologies, or infrastructure) and capabilities (methods, processes, people) as the first step of a BI initiative to drive profit improvement. These companies are ready, but they are not mature in their use of business information and business analytics to drive the business. Big consulting shops love this approach because it allow them to bill a bunch of hours deploying “capabilities” without having to provide their clients with more than a vague idea of how value will actually be created by the business.

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**Neither Ready nor Mature:**
We have seen companies that are not especially mature in their ability to deliver business information and advanced analytics, and they are also not ready to do so for any number of reasons. Another multi-billion dollar client we have worked with (in manufacturing) has ten years experience using DW techniques for basic reporting, so they are not mature in their use of information and analytics. They are also not ready because their existing data warehouse contains mainly sales data, as opposed to integrated data that addresses their BI opportunities to create value.

### BI Readiness Factor #1: Strategic Alignment

Much has been written about strategic alignment between business and IT. The discussion is generally about consistency among business strategy, business organization and processes, IT strategy, IT infrastructure, and IT organization and processes. In the BI context, strategic alignment occurs when:

- Business strategies and key management and business processes are consistent and reinforcing, whether this is achieved by strategy mapping or traditional strategic planning mechanisms.
- BI initiatives are focused on improving those key management and business processes that drive profits.
- BI initiatives are supported by appropriate IT strategies, infrastructure, and IT organization.
- Absent any of these elements, there is the risk that a BI initiative will not deliver business value.

Why it matters: From an ROI perspective, we are primarily concerned that BI initiatives focus on business processes that make a difference, which was discussed above. We cannot expect much of an ROI on BI initiatives aimed at non-strategic parts of the business. To have a bottom-line impact, BI investments must be directed at management processes and/or business processes that have the greatest impact on profits. Accordingly, building ROI into BI initiatives requires that we ensure – up front – that a proposed BI portfolio or project is strategically aligned. Having an appropriate BI infrastructure and a BI organization with the necessary BI/DW core competencies helps ensure strategic alignment.
Key Points for Self-Evaluation:
To determine how well your company is positioned in terms of strategic alignment, evaluate the degree to which each of the following statements is true. These are only some of the statements we use with our clients, but will give you a sense of how well you’re doing.

1. Company leaders and managers have a keen awareness of the environmental factors that drive our business, e.g. regulations, competition, demand trends, innovations, etc.
2. The relative importance of the environmental factors that drive our business is understood.
3. The relative importance of the environmental factors that drive our business is acted upon.
4. Our company has a clear, actionable strategy for our business.
5. The key management and business processes the company uses effectively execute our strategy.
6. Our company measures strategically relevant performance factors.
7. Our BI initiatives provide business information and analytical tools to make our management processes more effective.

Next Steps: If Strategic Alignment is an organizational strength, then using a BI Opportunity Analysis Framework to develop a BI Opportunity Map will seem intuitive. If it is not a strength, then using a BI Opportunity Framework to develop a BI Opportunity Map may initially be uncomfortable. The result, however, will be the ability to make a “business case” for potential BI projects that are based on bottom-line considerations. This strategic alignment of BI opportunities will greatly improve the odds of BI success.
BI Readiness Factor #2: Continuous Process Improvement Culture

Using BI to improve management and/or business processes that make a difference in profits, productivity, and service requires some degree of process change. Experience at leading companies suggests that change management is often the most difficult aspect of successfully deploying a new BI application.

Why it matters: If process changes are needed to leverage BI and business users don’t make them, then the company’s investment in BI will be wasted. The money spent will have no impact on the economic well-being of the organization. On the other hand, organizations that have created successful process improvement cultures are adept at changing business processes, and this prepares them to leverage BI effectively within processes that have an economic impact. Accordingly, we want to assess whether an organization is ready to manage the process changes required to capture the business value of a BI initiative.

If the organization is not ready, we want to know that up front so that we can formulate and execute appropriate plans for overcoming that liability (managing that risk). The differences in corporate cultures with respect to change and continuous improvement are evident in conversations we’ve had with several of the large companies with which we work.

In one case where we were developing a BI strategy for an industrial manufacturer, we asked about that company’s orientation to change. Their response was, “That’s all we do is change.” On the other hand, another company with which we’ve worked is very slow to change. A business adage popular at that company is that “there are 1,000 people who can say ‘no’ to a proposed change and only two who can say ‘yes,’ and nobody knows who those two people are.” This is a major company whose consumer product brands are among the most well known in the world, so they are very successful. It’s just that they are very deliberate about change. From the perspective of capturing the business value of BI, these two companies present very different management and implementation challenges. An effective BI readiness assessment can help ferret out the specific change management and continuous improvement challenges that we need to manage.
Key Points for Self-Evaluation:

To determine how well your company is positioned in terms of a continuous process improvement culture, evaluate the degree to which each of the following statements is true:

1. Our leaders and managers are adept at driving changes to our core business processes.
2. We consistently measure process costs, cycle times, and quality.
3. We consistently measure customer service levels, asset utilization and process outputs.
4. We are always looking to improve our core business processes.
5. We use prior period performance information for process improvement initiatives.
6. We apply data-driven improvement techniques such as Six Sigma, Continuous Process Improvement, and/or TQM.
7. Our leaders and managers understand that “best practices” mature and are replaced over time.

Next Steps: If Continuous Improvement is an organizational strength, then process changes that are needed to fully leverage BI capabilities can be incorporated into the existing organizational structures that are in place for this purpose. If it is not a strength, then you may consider identifying key business players that have resisted change, as well as those who may be open to change. “Sell” the need to change to key business players who can “market” to resisters in order to influence organizational change. Work with these change agents to develop a compelling business case for change. Use the BI Opportunity Analysis to discuss the “to be” organization and how using BI within changed business processes will support bottom line performance improvement.
BI Readiness Factor #3: Culture around the Use of Information and Analytical Applications

Executives and managers are required to make decisions based on a number of factors including personal experience, external advisors (analysts and consultants) and analytical applications. Some industries are more naturally inclined to use analytical applications (e.g. aerospace engineering) than others (e.g. fashion design). But within each of these industries, we’ve seen a significant variation in the degree to which executives rely on data (i.e. “do you know, or do you think you know?”) to make strategic decisions.

**Why it matters:** Organizations that embrace the use of information and analytical applications to improve profits are better able to leverage investments in BI than organizations that do not embrace and reward such approaches to creating business value.

Organizations vary in their readiness to use information and analytical applications to improve business performance. That fact is an element of corporate culture and it is influenced by the environment in which the organization operates. For example, businesses that operate in high fixed-cost industries – such as airlines, hotels, trucking, and some manufacturing businesses – have long employed highly sophisticated revenue optimization models that they use every day in their business. These models dynamically manage pricing to optimize the tradeoff between price and capacity utilization. Their goal is to deliver the most profit possible under given constraints of supply and demand.

Such organizations are not daunted by the prospects of deploying new BI applications because their operating environment demands the use of BI applications and their culture supports it. In contrast, we have worked with leading companies where the predominant mode of operation was characterized by lack of information and analytics, decisions driven by force of personality, and the dominance of intuition at the expense of fact-based analysis. These different types of firms have different prospects when it comes to leveraging BI to capture business value. An effective BI readiness assessment will identify the relevant cultural obstacles to a successful BI measurement and improvement.
Key Points for Self-Evaluation:
To determine how well your company is positioned in terms of an information usage culture, evaluate the degree to which each of the following statements is true:

1. When typical operating decisions are required, we have enough relevant information to make fact-based decisions.
2. Our company is a heavy user of quantitative methods, e.g. linear programming, optimization, modeling & simulation, data mining, and collaborative filtering.
3. Our leaders and managers emphasize the use of analytical frameworks and fact-based decision-making.
4. The sharpest analysts in the company are regularly involved in making presentations to our leaders and managers.
5. Our company has institutionalized the use of metrics for performance measurement and improvement.
6. The management information used within our company is timely and relevant.
7. Our company rewards the development and use of analytical tools.

Next Steps: If use of Information and Analytical Applications is an organizational strength, then new BI applications that further enrich analysis will be welcomed by the business. If it is not a strength, then this capability will need to be developed in the organization. Finding business “power users” who can embrace new BI applications and demonstrate/model how these applications can be used to measure and manage business performance may be a good way to grow this organizational capability.
BI Readiness Factor #4: BI Portfolio Management

A wide range of BI applications can improve the performance of the units within a given company. Those include some applications that help drive revenue growth and others that help reduce costs and optimize profits. Companies that have undertaken a comprehensive review of the major BI opportunities for sales, marketing, manufacturing, distribution, customer service, quality, and so forth are in a position to manage BI as a portfolio of investments, ranked by business impact and risk. This is important in an environment where capital budgets for IT are constrained, as they are almost always are.

The idea of managing BI initiatives as a portfolio is gaining increased attention in the context of discussions about the business value of BI. In many companies, a certain percentage of sales revenue is budgeted for IT, and then IT investments are managed as a portfolio.

In any given company setting, there are a variety of IT capital expenditures for different purposes. Infrastructure expenditures – the foundation for the pyramid – can be thought of as basic plumbing in that they move data around, store it, and secure it. Infrastructure also provides the means for collaboration by providing such utilities as e-mail, workflow control, and intranets. The portfolio also includes transactional applications – the systems that the company uses to conduct transactions with or for the benefit of customers. Enterprise Resource Planning (ERP) systems are the most prominent example of a transactional application. Lastly, the portfolio includes informational applications and strategic applications, which is what BI has come to encompass. Informational applications provide key performance management information, and strategic applications are innovative IT applications that provide strategic advantages to the first mover.

Why it matters: Given its position in the IT portfolio, BI must compete for scarce capital funds, and the formal capital budgeting process frequently addresses the subject of ROI. If a given company has not examined the full spectrum of BI opportunities it cannot know if the BI projects it is proposing are those that offer the highest risk-adjusted ROI to the company.

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Readiness Factors for BI Success
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Key Points for Self-Evaluation:

To determine how well your company is positioned in terms of BI portfolio management, evaluate the degree to which each of the following statements is true.

1. We have identified major BI opportunities within our key functions and/or processes.
2. We have prioritized our major BI opportunities based on factors we believe are relevant, e.g. ROI, technical risk, etc.
3. We manage our BI opportunities as a portfolio of projects, i.e. as a program.
4. We use a BI roadmap or program plan to guide, coordinate, and integrate our BI initiatives.
5. We have strategies and/or methods for ensuring that new BI applications are used to improve business performance.
6. We are investing or have invested in developing core BI competencies.
7. We actively manage the business and technical risks associated with our BI projects.

Next Steps: If IT Portfolio Management is an organizational strength, then obtaining support for using a BI Opportunity Map approach to identify and evaluate potential BI Projects for funding will likely be supported. If IT Portfolio Management is not an organizational strength, then the business may have to be sold on the concept. In organizations where “pet projects” are funded based on influential business players rather than on the merits of the investment, this may be difficult. By selling key business players on the concept and enlisting their help to begin developing a BI Opportunity Map, you will be able to demonstrate to the business how this type of analysis can be beneficial to ensure that their BI/DW investments pay off.
Decision process engineering is a term we have coined to convey the concept of using structured decision processes to increase the effectiveness of certain decisions that organizations face on a recurring or semi-recurring basis. These structured decision processes can incorporate the use of information, analytical applications, and/or quantitative methods as appropriate for the type of decision to be made. The decisions in which we are most interested are those that occur within the context of the core business processes that have an impact on profits.

Why it matters: For many companies in many industries, numerous routine and/or recurring management and operational decisions get made in the context of management and business processes. Such decision processes can be improved by using BI in ways that capitalize on the availability of information, analytical applications, and workflow technology to build structured, repeatable decision processes. Companies that understand this are well-positioned to capitalize on BI applications to improve profits.

Organizations that score high on this readiness factor agreed with such statements as “There is a standard decision-making routine for any well-structured problem situation we face.” Having experience in engineering key decision processes means that an organization is accustomed to answering the kinds of questions associated with the example BI application – simple variance analysis. Such experience translates into BI readiness because it prepares organizations to embed the use of BI applications into the core business processes that determine overall performance.
Key Points for Self-Evaluation:

To determine how well your company is positioned in terms of a decision process engineering culture, evaluate the degree to which each of the following statements is true.

1. For any important operating decision, the relevant managers can tell you how the decision is made.
2. We routinely use information technology - e.g. groupware or workflow - to formally collaborate in decision-making.
3. There is a standard decision-making routine for any well-structured problem situation we face.
4. There is a standard analytical routine for any well-structured problem situation we face.
5. There is a standard approach for any recurring and semi-recurring decisions we face.
6. Our company regularly uses models and/or simulations to support decision-making.

Next Steps: If your organization has a Decision Process Engineering Culture, then it will welcome better and richer information to use for organizational decision support. If your organization does not have a Decision Process Engineering Culture, then you can use new BI capabilities as an impetus to build one. This may be difficult and take time because in these cultures, individuals frequently have power based on their individual influence on decisions that are many times made in an ad hoc way. Again, the best way to address this is to demonstrate to the organization how moving from an ad hoc to a more structured approach towards decision making will help bottom line performance. IT is not the appropriate organization to make this case; the Business Organization is. Key business individuals should be enlisted to develop the business case and advance the argument. Finding very specific organizational “case studies” that everyone can relate to based on perceived business problems is a good place to start.
BI Readiness Factor #6: BI and DW Technical Readiness

A critical requirement for capturing the business value of BI is the technical ability to deliver the information and analytical applications that support BI. Fortunately, there is an extensive body of knowledge about how to do this. That said, some organizations are much more capable than others of designing, developing, deploying, operating, and maintaining the appropriate technical environment to support data warehousing and business intelligence. Since we are interested in increasing the likelihood that BI investments will pay off, we have to be concerned about reducing technical risk, which means that we need to assess technical readiness.

Why it matters: By identifying technical risks up front, we can devise and execute appropriate plans to mitigate them. Accordingly, an effective BI readiness assessment should assess BI and DW technical readiness. When assessing one’s own technical readiness, it is important to examine one’s current state in the following seven areas of technical readiness we’ve commonly found as areas of potential risk:

- **BI Program and Strategy:** Addresses the existence of active BI governance, investment justification, and responsiveness to business needs. Length of the backlog is a key measure.
- **Information Quality and Usability:** The ability to integrate data, deliver relevant business information to business users in a timely manner, and to use shared definitions. Data quality due to errors is addressed under design and development.
- **Datacenter and Infrastructure:** The maturity of the operational processes that support the system, including reliability, recovery, and monitoring.
- **Design and Development:** Developer productivity, data modeling, and BI-tailored system design methods. Measures the quality of the underlying system development.
- **Front End:** What the end user sees and experiences. Includes the ability to receive information in flexible format, analytic tools, and ad-hoc capabilities.
- **Performance:** The end-user experience of performance. Includes system availability, prepared report speed, and analytic speed. A key indicator is active tracking of report and user level performance. Users typically refuse to use poorly performing systems.
- **Staff and Process:** Measures ongoing investment in staff, adherence to project management and process control. High process and staff investment lead to higher quality systems.

Identifying those risks in these areas is a key prerequisite for mitigating and managing them.
Key Points for Self-Evaluation:

To determine how well your company is positioned in terms of BI/DW technical readiness, evaluate the degree to which each of the following statements is true.

1. Our company can effectively build and operate a robust BI/DW technical environment.
2. Our IT function uses an effective, repeatable methodology on all BI/DW projects.
3. We have a strong program for training business users to use available BI.
4. We have strong source system analysis skills.
5. We have strong data quality and stewardship skills.
6. We know how to work with business users to design what they see via BI applications.
7. We have strong skills in at least one query and reporting tool.
8. We have strong data architecture, systems integration and BI design skills.
9. We have strong systems integration skills.

Next Steps: If your organization has strong BI/DW technical capabilities, then it can support the technical skills needed to support BI/DW Program. If your organization does not have these skills, they can be obtained, either through hiring new employees, or by utilizing consultants. Determining critical technical skill gaps is essential to ensure successful technical architecture and implementation.
BI Readiness Factor #7: Effective Business/IT Partnership for BI

When we talk about an effective partnership between business and IT, we’re not just talking about “playing well” with each other. The issue is business results that create business value, and thus we must be concerned with the business practices used to manage development and use both of IT generally and of BI specifically.

Why it matters: Organizations that have been effective in using IT to improve business results are more able to leverage BI to create value than those whose practices do not create effective business/IT partnerships. We’ve identified key elements of effective partnerships that enable companies to develop BI applications that deliver business value:

- business is responsible for BI value capture
- IT is responsible for effective delivery of BI applications
- BI projects are funded based on projected ROI
- companies invest in developing the BI expertise of their business people
- companies invest in developing the business expertise of their IT people
- there is a executive sponsorship that provides organizational emphasis on BI

These concepts are not new: they are proven principles for effective use of IT to deliver business value. By applying these ideas to management of a BI portfolio, we can greatly increase the probability that individual BI initiatives will deliver business value. Accordingly, an effective BI readiness assessment will test for the presence of practices that implement these principles.
Key Points for Self-Evaluation:
To determine how well your company is positioned in terms of BI/DW technical readiness, evaluate the degree to which each of the following statements is true.

1. Our leaders and managers spend at least 40 hours a month on IT.
2. Our leaders and managers are IT-savvy.
3. Our IT leaders and managers are business-savvy.
4. The responsibility for capturing the ROI on IT investments resides with the business units.
5. Business managers make the business case for IT investments with inputs from IT.
6. IT is a player at the strategic level of the firm.
7. Business people are actively involved in our BI projects.

Next Steps: If your organization has a strong Business/IT Partnership, then you are fortunate. Many BI/DW failures result from inadequate support from senior level business management. That support, however, without a solid framework to guide your BI efforts is not enough. Executives will soon lose interest if you do not demonstrate how their investments in BI will deliver business value. If your organization does not have a strong Business/IT Partnership, it will need to develop one in order to succeed. Many organizations have utilized IT-driven prototypes to demonstrate BI opportunities. While this “bottom-up”/IT driven approach is not optimal, it is often needed to get the business on board. The Business/IT Partnership will naturally be strengthened and continued funding will be provided when the business benefits that can result from this partnership are demonstrated.
Conclusion:

The seven BI readiness factors we have described can be either stepping stones or barriers to deploying BI applications that create business value. Accordingly, you must know where the organization stands in relation to these factors, and you must take a holistic and realistic view of its starting position (as can be seen in the BI Readiness dashboard example below). No organization will achieve perfect scores across the board, and BI readiness is more easily improved in some areas than in others.

**BI Readiness Dashboard**

For example, changing the culture around use of information and analytical applications will take longer than improving technical readiness, which in some instances can be addressed by strategic hiring, training, and/or use of consultants. The organization can use information from the BI readiness assessment as a guide to develop, specific customized BI strategies and implementation plans that effectively account for an organization’s starting position. The result is that BI initiatives deliver as much value as possible as quickly as possible.
Performing an effective BI readiness assessment is a critical element of business-centric BI development methods because it helps the organization to assess how well it performs on factors that can be considered the preconditions for BI program success. A BI readiness assessment is a key tool for identifying the impediments to BI success and then systematically managing BI initiatives to overcome those impediments. Done correctly, it need not be an expensive or lengthy process, and the insight gained into the principal business risks associated with BI initiatives will pay dividends in the form of deployed BI applications that deliver real business value.

BI readiness is ultimately about three things: the ability of the company to align and govern a BI program, the ability of IT to perform technically, and the ability of the company to change in order to leverage BI within core processes that have a profit impact. Absent these abilities, a company’s investment in BI in a substantially higher risk proposition – and certainly more of a gamble than it needs to be. Any capital investment is made under conditions of risk, and thus the goal of management must be to identify and reduce those risks. The BI readiness assessment serves just that purpose, and when used proactively it can identify specific risks to achieving BI-driven profit improvement. Armed with a clear idea of the risks, management can then mitigate those risks and increase the likelihood that its investment in BI will pay off.
About DecisionPath Consulting

DecisionPath Consulting is a recognized leader in leveraging business intelligence and data warehousing technologies for large and mid-sized organizations in a wide range of industries. Our mission is to guide our clients along the path to impactful uses of information and analytics.

Since 1999, DecisionPath has been at the leading edge of developing custom business intelligence solutions – leveraging our consultants’ deep knowledge of business analytics, data warehousing, business intelligence and performance management – to help a wide range of companies improve their core business processes and increase profitability.

Want more information?

If you want more information about how to assess your current state of readiness, and how to leverage that information to improve the bottom line impact of your BI program, please feel free to contact us:

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