



A BI agenda for midsize organizations: Six strategies for success

Contents

- 3 Business Problems**
 - Challenges facing the business
 - Challenges facing IT
- 5 Business Drivers**
- 6 The Solution**
 - A BI agenda for midsize organizations:
Six strategies for success
 - The voice of the customer
- 15 Conclusion**

Abstract

Midsized companies see business intelligence (BI) as too unwieldy and expensive for them, and use spreadsheets for planning, budgeting, and forecasting. In reality, the spreadsheets are the real expense and time-consumers.

However, BI is well within reach of your midsize organization through an incremental approach, matching project rollout with resources, benefiting quickly, justifying further investment, and adjusting rapidly to business changes.

Midsized companies have six strategies in common when choosing and deploying BI solutions that address both business and IT challenges. You can choose the one that fits your company.

Overview

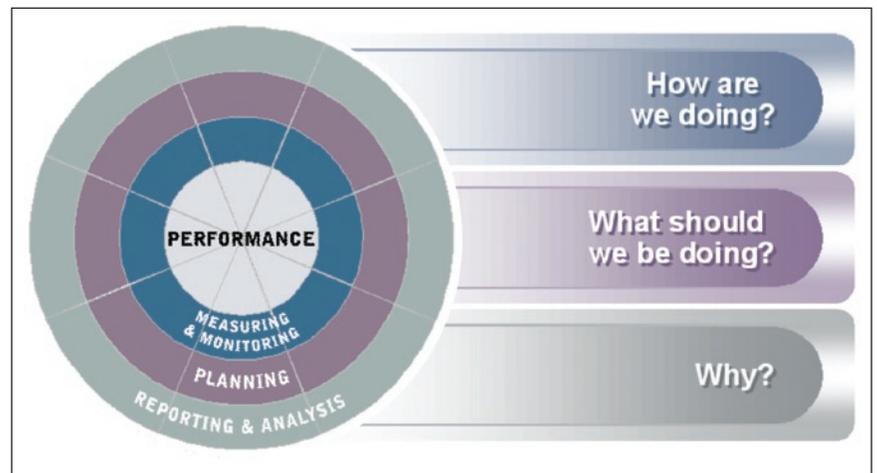
Midsized organizations are feeling the pain of too much data and inconsistent information. With growing volumes of data and data sources, midsize companies need to unlock the data in operational systems and applications, and transform it into useful, relevant information. With an accurate, up-to-the-minute view of the business, everyone can better collaborate to make sound strategic decisions.

This is why performance management has emerged as a strategic imperative in midsize organizations. Small to midsize businesses need to grapple with issues that influence business performance, and rapidly gain the insights to deal with them efficiently and effectively. Business intelligence (BI) is central to gaining competitive advantage and higher profits.

According to a recent Gartner report, managing and organizing business data has become a top initiative for midsize organizations during the past year: “Midsize businesses have set their sights on the need to provide more accurate and timely information to decision makers.”¹

Optimal business performance is possible when decision makers understand what is happening, why it is happening, and what they should do about it. Ideally, you want your users to make sound, data-driven decisions at every level and across every function of the business. Within a performance management framework, midsize organizations can efficiently deliver the right reports, the right dashboards, and the right information to suit the needs of the business.

The following pages describe the particular performance management requirements of the midsize organization, and provide six strategies for success drawn from the experiences of actual IBM Cognos BI customers.



Business Problems

Challenges facing the business

Midsized organizations have the same business challenges as their larger counterparts. The difference for midsize organizations is that they need to be more agile, faster, and smarter to react to competitive pressures – and do all of this on limited budgets and resources.

Business users in midsize organization need to be empowered with immediate insight into how the business is performing. Without the right information, users are unable to make the best revenue-generating decisions, the best cost-saving decisions, and decisions that make the most of their business assets.

Many midsize organizations still rely extensively on spreadsheets, not only in finance departments for planning, budgeting, and forecasting, but also for reporting across the organization. This pervasive practice carries significant risks. Spreadsheets are highly error-prone, and it is often impossible to trace the logic of their creators, requiring constant checking and re-creation of the same data. Spreadsheets are also difficult to consolidate, making it slow, unreliable, and inefficient to glean meaningful insights.

No longer can strategic decisions be left to trial and error. Midsize organizations need solutions to address the enormous competitive pressures they are facing. Unfortunately, BI and performance management applications are often perceived as too expensive and complex, suitable only for the budgets and resources of larger organizations.

Challenges facing IT

Information technology leaders in midsize organizations recognize the value of BI, but they are faced with countless challenges:

- **Lack of staff and skill resources.** IT professionals in most midsize organizations have to wear many hats and juggle multiple priorities. With lean staffs, they often lack the experience to deploy and maintain BI and performance management solutions.
- **Lack of budget.** IT needs solutions that are predictable to their budgets with no hidden costs. They must also deliver the shortest possible time to value, demonstrating the advantage of BI and performance management by delivering a quick win for the business. Importantly, the solution also needs to be able to grow and scale as their business needs grow.

With the number of data sources as well as the volume of data growing exponentially, IT struggles with the challenge of harnessing data and turning it into useful information. Faced with these pressures, IT remains ill-equipped to respond to the increasing demands of the business.

Business Drivers

To address the challenges of improving performance and driving competitive advantage, BI solutions require multiple capabilities to address a variety of needs and issues. For example, dashboard and scorecard capabilities measure business performance and answer the “How are you doing?” question. Reporting and analysis capabilities answer the “Why” behind critical issues, trends, and opportunities. Planning capabilities answer, “What should we be doing?”

These capabilities must also be integrated and modular, allowing midsize businesses to implement incrementally, as well as to start anywhere – say, with planning or analysis or reporting – and then move to where the need is greatest as business needs dictate. This gives the midsize organization the ability to deploy tactically across departments and then connect initiatives together as they evolve.

With limited IT budgets and resource constraints, IT managers are looking beyond the initial price tag. BI solutions must not only fit your budget, but also place minimal ongoing demand on IT resources, with low maintenance and as little downtime as possible, so business users can focus on growing the business.

Out-of-the-box vertical and horizontal solutions are also needed to accelerate success, with prebuilt functionality for departmental or industry-specific needs. Service and support are also a critical requirement, and midsize organizations will benefit from a strong network of solution service providers to assist when and where additional skilled resources are needed.

The Solution

To address all of these business and IT challenges of midsize organizations, IBM Cognos software is a comprehensive portfolio of integrated capabilities to manage business performance. These solutions come with packaging and pricing options tailored to midsize enterprises. Flexible delivery models range from hosted solutions to prepackaged hardware appliances and, of course, on-premise software. And a 3,000-plus partner ecosystem extends our ability to support your needs.

The experts behind IBM Cognos performance management understand that rapid time to value is critical for midsize organizations. IBM Cognos software delivers best practices, blueprints, analytic applications, services, training and support – all designed to accelerate your deployment. Our objective is to continually advance and enhance our solutions to ensure you gain economies of scale. Above all, you can feel confident in choosing a world-class BI and performance management solution, ensuring widespread user adoption while keeping IT costs and complexity at bay.



A BI agenda for midsize organizations: Six strategies for success

IBM Cognos BI is based on conversations with hundreds of successful midsize customers that have made BI a reality in their organizations. These conversations have identified six strategies that the companies have in common when choosing and deploying BI solutions. Overall, these strategies address both business and IT challenges.

1. Start small, but think big - allowing room to expand and grow.

IT professionals in many midsize organizations often perceive that BI and performance management are expensive and resource-intensive, suited only for larger organizations. IBM Cognos software customers have proven this is not the case.

Deploying BI and performance management should be viewed as a strategic initiative, so think big. However, rather than taking an “all or nothing” approach, your organization can deploy tactically and incrementally, connecting the initiatives together as they are added.

IBM Cognos BI experts recommend the following best practice: Start by focusing on a key pain point. With IBM Cognos BI, you can start anywhere – say, with just reporting, or analysis or planning – and add additional capabilities as the business grows and needs change. Many successful midsize organizations have adopted this incremental approach. The benefits of taking this approach are many: project rollout can match resource capacity and budget; your organization realizes business benefit quickly; a successful implementation provides justification for further investment; and it allows rapid adjustments in response to changes in business objectives.

Engaging with the business is also a key criterion for success. Creating a Business Intelligence Competency Center (BICC) or similar entity helps ensure that knowledge gained is shared across the organization.

IBM Cognos solutions are designed to be modular, allowing you to implement and expand BI capabilities as your needs dictate or as your company grows. Equally important is the ability to connect all the initiatives together for successful BI deployment across your organization, reducing the need for multiple tools from multiple vendors and therefore minimizing complexity, resources, and costs.

2. Ensure all reporting types are supported.

Reporting is repeatedly identified as the highest BI requirement. However, it's important to remember that different categories of business users have distinct reporting needs:

- **Managed reporting** is needed to distribute prebuilt reports across an organization on a daily, weekly or monthly basis, often providing flexible prompting so users can run variations of reports themselves without the need to recreate the reports.
- **Ad-hoc reporting** is a critical aspect of enabling end-user self service, giving business users instant access and interactivity with information to create their own ad-hoc reports. This type of reporting must be simple to use, with a drag-and-drop interface, and information must be presented in the context they understand.
- **Analytical reporting** allows business users to slice and dice information so they can easily understand the “why” behind critical issues, trends, and opportunities, with the ability to drill down further for detailed information.
- **Dashboards** help measure business performance and quickly communicate complex information to business users in compelling visual formats, so they have a clear picture of how the business is doing.
- **Production reports** provide high-quality detailed information such as invoices or statements, and these reports are highly formatted.
- **Operational or transactional reports** typically have detailed information from transactional systems, so ensuring secure and controlled data access is key.

Not all companies have all these needs at once. However, as your business grows and the reporting needs of the business change, the right BI solution will answer all your reporting needs both today and in the future. Your business and IT leaders can have greater peace of mind, knowing you won't have to deploy multiple reporting products from multiple vendors – which, in turn, adds complexity to your systems, demands more IT resources, and creates silos that hinder your ability to leverage success from one initiative to another across other functions.

“One of the reasons that we chose to migrate to IBM Cognos 8 BI was to take advantage of IBM Cognos 8 Go! Mobile. All of our US sales teams rely on their mobile devices, and IBM Cognos 8 Go! Mobile is a really useful tool for our field teams to access real-time information and see how their customers are doing at all times.”

Michael Der, TI Manager, Mark Anthony Group

IBM Cognos BI offers a zero-footprint, web-based reporting solution that addresses all your reporting needs, all your different users, and all the types of data that you have. Deliver BI anywhere, without data duplication.



3. Enable access anywhere, anytime.

Customers are also looking at how to put information in the hands of a broad range of users and bring it into familiar working environments they use each day, which helps to increase the adoption of business intelligence across the organization. It is also important to ensure no duplication of work is needed to leverage the many delivery models.

IBM Cognos software delivers the ability for users to see the information they want, how they want it, when they want it. With IBM Cognos BI, reports are authored once, but published anywhere, to save enormous resource time and duplication. They can be viewed in multiple formats – on the Web, as Adobe® PDF files, in Microsoft® Office applications, or on mobile devices.

For business analysts who prefer to work within a spreadsheet, there is now IBM Cognos® 8 BI Analysis for Microsoft Excel® – an extension that allows users to access centrally modeled and secure information yet leveraging their tool of choice. In addition, to extend your reach to users who may not even be familiar with BI, Cognos delivers innovative integration with leading search solutions like Google, IBM OmniFind™, Fast, Autonomy, and Microsoft’s Search. IBM Cognos 8 Go! Search makes it possible to find strategic BI information right from a standard browser-based search.

4. Open access to all data.

A company's data is one of its biggest assets – second only to its people. The challenge lies in extracting that data from multiple sources and transforming it into useful and relevant information that puts it in context for the business user.

Midsized organizations rarely have just one data source. As applications are purchased and deployed, the sources and formats of data grow exponentially. Data may come from transactional systems, enterprise resource planning (ERP) solutions, data warehouses, old legacy systems, or from online analytical processing (OLAP) sources. Data needs to be accessed from multiple sources, even when you have a data warehouse, to address all the information needs and requests from business users.

A critical factor for BI success is ensuring that easy and open access is supported for all types of data sources from your BI solution. IBM Cognos BI has an open architecture to ensure access to all sources, as well as any combination of sources, so reports can access data wherever it resides.

The speed of data access is equally important, and IBM Cognos BI provides direct access to data with query optimization as well as Enterprise Information Integration (EII) technology that also further optimizes data access through virtual caching across multiple sources.

For companies that have not selected an ETL tool, IBM Cognos 8 BI Data Manager enables fast extraction of data from multiple sources, transformation capabilities, and automated dimensional modeling capabilities to help you create dimensional models to support your BI deployment.

“By using IBM Cognos 8 BI, we are beyond the point most companies hope to reach with data accuracy. Employees can now speak confidently about our data, and easily match up reports and metrics, knowing that they are speaking the same language.”

Jim Mulholland, Vice President, Information Technology, Creativity Inc.

IBM Cognos BI provides several capabilities (direct, ETL and EII) to manage a company's data in support of any stage of an organizations data strategy.

5. Optimize Information delivery.

Another key success factor is ensuring that everyone in the organization is working from the same data and using the same business rules. More often than not, business users are struggling to produce consistent results using manual processes, error-prone spreadsheets, or different tools using different queries with different rules to access data.

To ensure data consistency and accuracy and that users are working from the same numbers, the first step is having open data access to any data. A best practice approach is having one place to define the data, a single query service to retrieve the data, and one place to centrally manage the business rules. When everyone works from the same data, query and business rules, business users can have confidence in the results. With multiple tools from multiple vendors, achieving this goal is highly unlikely.

With open data access and a common business model delivered by the IBM Cognos BI set, users have access to a complete, consistent view of information, no matter which BI capability they use. Users are empowered with the right data, everyone is working from the same numbers, and data complexity is hidden from them.

6. Ensure easy deployment and maintenance.

IT professionals understand the value of performance management, but may be concerned about the cost, complexity, and resources needed for maintaining a performance management system over time. For this reason, IBM Cognos software provides flexible maintenance and support solutions that are tailored to each organization and maximize internal resources.

Built from the ground up as a Web services-based, service-oriented architecture (SOA), IBM Cognos 8 BI is, by nature, open. With out-of-the-box support for your existing data sources, security systems, portals, application servers, and more, IBM Cognos software offers a full range of BI and planning capabilities that are easy to deploy, and easy to maintain. An open, platform will leverage your existing infrastructure, while also protecting any future investments.

In addition, significant enhancements to the latest release of IBM Cognos 8 BI make deployment and maintenance even easier. For example, we have added a snapshot of system health, with live insight into key metrics of system performance, enabling you to proactively manage your deployment. We have also added a simplified upgrade management capability to help you handle any volume of reports, and to test out your system when there are environmental changes.

The voice of the customer

IBM Cognos software is the performance management choice for many midsize organizations. Let's take a look at two of these and how they have benefited:

Mark Anthony Group

Based in Vancouver, BC, the Mark Anthony Group (MAG) is a privately held manufacturer and distributor of premium wines and alcoholic beverages, including Mike's Hard Lemonade. The number one brand in its category, Mike's Hard Lemonade is largely responsible for the company's phenomenal growth over the last several years. With revenues in excess of CA\$400 million per year, MAG's primary markets are in North America.

With a sizable number of SKUs and products, mixed with extensive federal information on competitors, distributors, and bottlers, MAG had a growing database to manage and maintain. The organization needed to allocate more of its staff's time to growing its business and increasing profitability through intuitive and integrated business intelligence sales tools.

With offices and distribution centers located across North America, MAG depends on a team of external partners to produce, distribute, and sell its products. With so many partners and locations involved at different stages of the production life cycle, MAG initially deployed IBM Cognos ReportNet to ease reporting, and then chose to migrate to IBM Cognos 8 BI to enable its sales force to gain full, real-time access to the information in their customer database.

One of its biggest challenges was managing an immense and growing amount of data and getting the right data into the hands of its sales force in a timely manner. All of the company's U.S. sales teams rely on mobile devices. IBM Cognos 8 Go! Mobile, which brings BI to users of Blackberry and other handheld devices, enables field teams to access real-time information and see how their customers are doing at all times. The company also appreciates the way IBM Cognos products are supported by IBM Cognos consulting, training, and support and an IBM Cognos Partner, Yukon.

Creativity Inc.

A leading designer, marketer, and distributor of basic crafting, beading, organization, paper crafting, and scrap-booking products, Creativity sells proprietary designs and brands as well as commodity products to national craft chains, mass merchandisers, and independent craft retailers. With nearly 400 employees, the company is one of the top five suppliers to the craft market.

Creativity is focused on ensuring that its customers are always stocked with the right products at the right time. To support this objective, the company was generating reports from three separate ERP and accounting packages, but they were limited to standard formats. The company needed to see its data in the way it wanted, and report only those metrics that really matter. For example, a key metric that Creativity needed to manage was its customer fill rate, with most customers requiring 95 to 100 percent fill.

The company needed a flexible BI solution that offered seamless integration with multiple data sources, minimal IT maintenance requirements, and ease of use. Creativity selected IBM Cognos 8 BI to provide employees enterprise-wide with a real-time solution that could coordinate disparate data sources and locations to provide a single view of the truth. Users can now access a complete, consistent, real-time view of business, anywhere and any time, through the IBM Cognos 8 BI portal, CRAFTnet.

IBM Cognos software has given Creativity a competitive advantage in the \$10 billion crafts industry. Not only has it enabled the company to meet key customer requirements such as fill rate; it is also one of the few suppliers that can service the large retailers like Michael's and Wal-Mart in the way they want. Tapping the analysis capabilities of IBM Cognos 8 BI, Creativity has been able to improve its forecasting so that employees can identify trends in sales, and proactively adjust the supply chain. This gives them the agility to respond to opportunities in the market faster.

“By using IBM Cognos 8 BI, we are beyond the point most companies hope to reach with data accuracy,” states Jim Mulholland, vice president, information technology, Creativity Inc./Westrim Crafts. “Employees can now speak confidently about our data, and easily match up reports and metrics, knowing that they are speaking the same language.”

Conclusion

Let's go back for a moment to the three questions that drive performance: "How are we doing?" "Why?" "What should we be doing?" Answering these key questions requires multiple integrated capabilities. IBM Cognos software delivers a comprehensive portfolio of solutions and capabilities to enable your business users to see the information they want, how they want it, and when they want it.

IBM Cognos BI solutions are modular and designed to be implemented incrementally, so you can start small, start anywhere, deploy tactically, yet connect the initiatives together. Solutions are packaged to suit your budgets and needs, including flexible delivery models.

Understanding the need for easy deployment and maintenance for resource-constrained IT departments, IBM Cognos solutions were built on open standards, Web services, SOA architecture designed to leverage existing infrastructure and future investments. We provide out-of-the-box support for all data sources, security, portals, and more, to ensure ease of deployment and minimal maintenance requirements.

Lastly, the IBM Cognos BI network of over 3,000 partners is ready to help accelerate your deployments and make you successful. Together, we have hundreds of solutions that we provide or are partner delivered to ensure the fastest possible time to results.



© Copyright IBM Corporation 2009

IBM Canada
3755 Riverside Drive
Ottawa, ON, Canada K1G 4K9

Produced in Canada
January 2009
All Rights Reserved.

About IBM Cognos BI and Performance Management

IBM Cognos business intelligence (BI) and performance management solutions deliver world-leading enterprise planning, consolidation and BI software, support and services to help companies plan, understand and manage financial and operational performance. IBM Cognos solutions bring together technology, analytical applications, best practices, and a broad network of partners to give customers an open, adaptive and complete performance solution. Over 23,000 customers in more than 135 countries around the world choose IBM Cognos solutions.

For further information or to reach a representative: www.ibm.com/cognos

Request a call

To request a call or to ask a question, go to www.ibm.com/cognos/contactus.
An IBM Cognos representative will respond to your enquiry within two business days.

IBM, the IBM logo and ibm.com are trademarks or registered trademarks of International Business Machines Corporation in the United States, other countries, or both. If these and other IBM trademarked terms are marked on their first occurrence in this information with a trademark symbol ("®" or "™"), these symbols indicate U.S. registered or common law trademarks owned by IBM at the time this information was published. Such trademarks may also be registered or common law trademarks in other countries. A current list of IBM trademarks is available on the Web at "Copyright and trademark information" at www.ibm.com/legal/copytrade.shtml.

Microsoft, Windows, Windows NT, and the Windows logo are trademarks of Microsoft Corporation in the United States, other countries, or both.

Adobe, the Adobe logo, PostScript, and the PostScript logo are either registered trademarks or trademarks of Adobe Systems Incorporated in the United States, and/or other countries.

References in this publication to IBM products or services do not imply that IBM intends to make them available in all countries in which IBM operates.

Any reference in this information to non-IBM Web sites are provided for convenience only and do not in any manner serve as an endorsement of those Web sites. The materials at those Web sites are not part of the materials for this IBM product and use of those Web sites is at your own risk.

Endnotes

- 1 Gartner Dataquest Insight, "Top Business Intelligence Needs Cited by Midsize Businesses," J. Browning, B. Gassman, R. Anderson, March 9, 2007