Information Builders

Business Intelligence Usage in Europe and North America

88%

84%

39%

79%

57%

50%

31%

28%

3%

16% gap

88%

72%

34%

21%

38%

26%
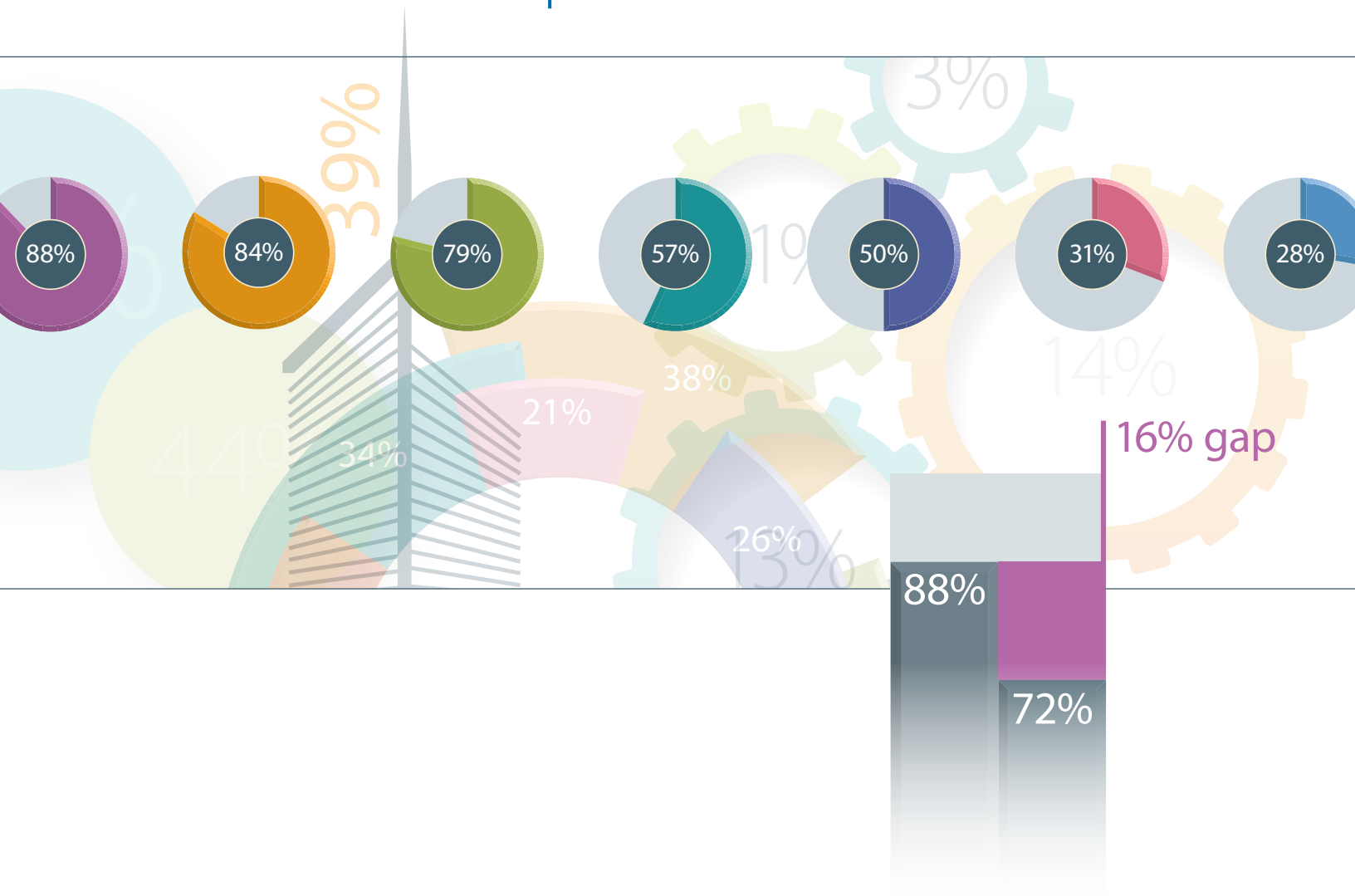
A Joint Study by
Information Builders and
IDG Research Services

Introduction

In my organization, information is used to align our strategic goals with day-to-day activities and processes by providing easily accessible and relevant information to all employees on a regular basis.

Agree: 75% ▼

My organization is committed to helping our customers and partners make better decisions and as such, shares not only relevant data, but also analytics, with customers/partners to create greater alignment and value.

Agree: 69% ▼

My organization views investments in information management as being on par with investments in other tangible assets, effectively leveraging information for competitive advantage.

Agree: 68% ▼

My organization believes that everyone makes decisions, and therefore, all employees are able to get and analyze meaningful real-time information to support their needs.

Agree: 58% ▶

Information has an intrinsic value that yields higher returns the more it is leveraged, shared, and managed – just like financial or human capital. Forward-thinking organizations recognize that in order to transform their business, they must treat enterprise data as an investment, and the highest returns often come when information is deployed to large numbers of people.

A number of businesses are already proving this today through innovative business intelligence (BI) applications. For example:

- **Ace Hardware** shares relevant information with all of its stakeholders – from store managers, field staff, and professionals in finance and marketing, to customers, franchisees, retail partners, and suppliers – to enhance decision-making, improve vendor performance, and increase the effectiveness of merchandising programs

- **U.S. Bank** delivers vital information to more than one million business clients, helping them to monitor debit, Visa, and MasterCard transaction data online to better track corporate spending

- **La Caixa Bank**, Spain's largest savings bank, has grown its small-to-midsize business (SMB) customer base by nine percent in just 10 months, and increased the profitability of that segment from 10 percent to 16 percent, by providing staff at 5,000 branch locations with data that helps them to identify clients with the greatest likelihood of purchasing certain products so they can develop more targeted campaigns

- **Ford** saves $60 million each year by letting 14,000 dealers, warranty specialists, and warranty consultants see how well they stack up to others in warranty claims and related repair costs

- **ThyssenKrupp**, a leading materials manufacturer, strategically leverages information to support a major purchasing initiative, giving staff greater visibility into purchasing operations to increase productivity and accountability, and achieve economies of scale through consolidation and other cost-cutting measures

So, what's the problem? According to a recent study conducted by IDG Research Services and Information Builders, the way companies think they need to deploy BI is quite different from the way they actually do. Although companies realize that they need to make it available to as many people as possible, they are only rolling out advanced BI capabilities to executives and senior managers. Frontline workers, as well as customers and partners, are left struggling to access the vital information they need to drive better business performance and greater competitive advantage. As a result, organizations may be failing to reach the full potential of their BI investments.

The goal of the study was to assess the current mindset towards information assets, and to learn more about how today's businesses are approaching information management. The results demonstrated that the majority of companies are well aware of the importance of leveraging enterprise information management (EIM) and analytics to align strategy and resources, enhance business performance, and improve customer relationships.

Three-quarters of respondents agree that their organizations use information to align strategic goals with day-to-day operations, but only 58 percent are empowering all employees with the data they need to make effective decisions.
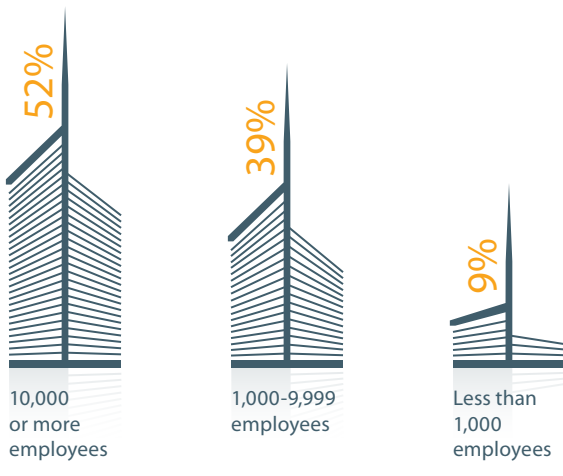
However, the survey also highlights the fact that most businesses have yet to tap into the full potential of their business intelligence and analytics solution investments. Substantial disconnects still exist between BI investments and more pervasive deployments, hindering the success of

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information management strategies. Given the importance of vital, timely information in strategic planning and tactical decision-making, those disconnects have the potential to negatively impact business performance in a big way.
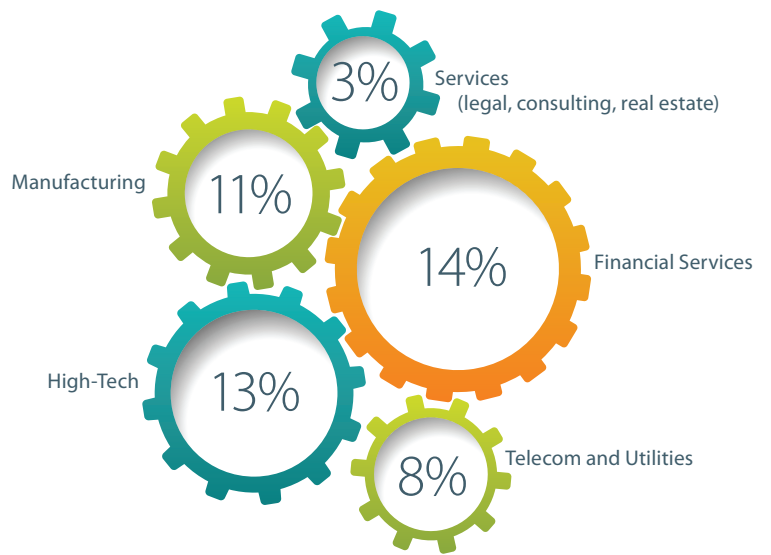
Who Participated in the Survey

A total of 401 people participated in the survey. Overall involvement in BI activities was consistent across all regions, with half of the respondents indicating that they are consumers of information, and 45 percent claiming to take part in data discovery activities.
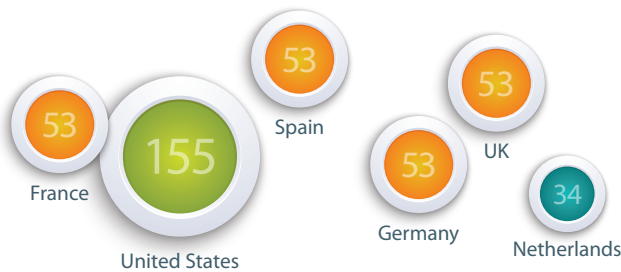
Survey demographics include organization size, industries, and region.

52% 10,000 or more employees

39% 1,000-9,999 employees

9% Less than 1,000 employees

Mean organization size: 33,270

Organization Size

Top Represented Industries

3% Services (legal, consulting, real estate)

Manufacturing **11%**

14% Financial Services

High-Tech **13%**

8% Telecom and Utilities

Number of Survey Completions by Region

France **53**

United States **155**

Spain **53**

Germany **53**

UK **53**

Netherlands **34**

Top Represented Job Titles

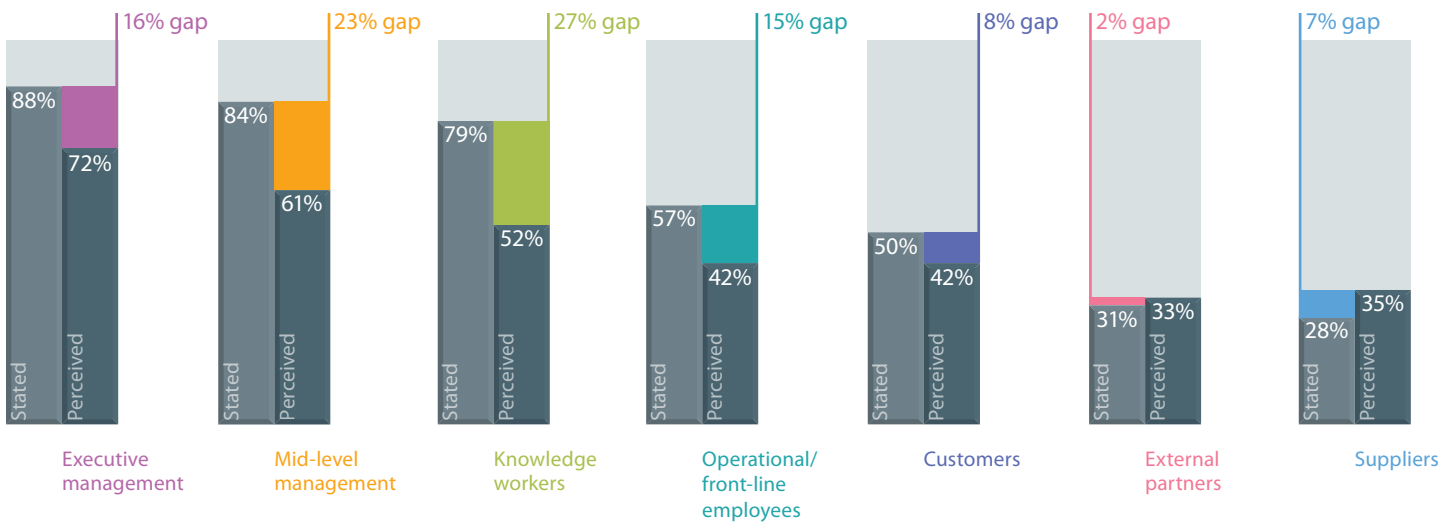|			
IT	54%	Marketing	5%
Operations	7%	Human Resources	4%
Accounting/Finance	6%	Sales	3%
Customer Service/Support	6%	Legal	1%
Research and Development	5%	Other (non-IT)	7%
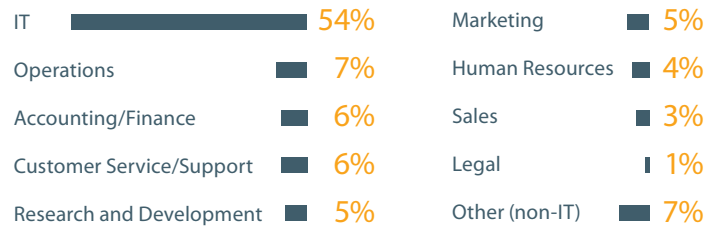
This research brief will highlight some of the survey's key findings, including how many enterprises withhold information from operational workers and external stakeholders such as customers and partners. It will also discuss the ways in which users prefer to access and use information, and outline some of the obstacles that are prohibiting more widespread deployment of reporting and analytics in today's enterprises.

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Survey Findings

Some Users Still Aren't Benefiting From BI

One of the most compelling observations made from the research is that true BI pervasiveness remains an elusive goal. When it comes to the ability to access and analyze vital enterprise data, huge gaps exist between executives and knowledge workers, and those on the front lines who carry out day-to-day tasks and activities. In fact, the importance of sharing information decreases as one moves down the organizational ladder, and outside of the organization.

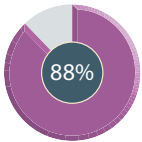|	Executive management	Mid-level management	Knowledge workers	Operational/ front-line employees	Customers	External partners	Suppliers
Gap	16% gap	23% gap	27% gap	15% gap	8% gap	2% gap	7% gap
Stated	88%	84%	79%	57%	50%	31%	28%
Perceived	72%	61%	52%	42%	42%	33%	35%

Minding the Gap. Providing data access to staff at various levels in the organization is important, according to survey respondents. But the perception is that companies are falling short, in most cases, in sharing data effectively, illustrated by "the gap" in each chart. External Partners and Suppliers, however, are the two groups for whom the perception exceeds the stated goals.

Pervasiveness and high user adoption – at all levels of the business and beyond – are required in order for BI and information management investments to fully pay off. In most organizations, however, executive management, mid-level management, and knowledge-workers appear to be the primary focus of information delivery efforts. They've got advanced BI and analytics right at their fingertips, while those in operational roles don't. In fact, this group of stakeholders reported the lowest usage of BI and analytics, with less than half claiming to have access to reports prepared by others. Thirty percent of the operational employees polled claimed that they are not involved in any BI activities at all, compared to only 9 percent of knowledge workers and 14 percent of IT workers.

External Stakeholders Lack Data Access Capabilities Too

Companies are also falling short when making BI and analytics available to their external stakeholders. Sixty-eight percent of respondents agree that "my organization is committed to helping our customers and partners make better decisions and as such shares not only relevant data, but also analytics with customers/partners to create greater alignment and value." Within these same companies, only 50 percent consider customers to be a top priority when it comes to information management. Even fewer – less than one-third – place a high importance on the information delivery needs of external partners and suppliers.
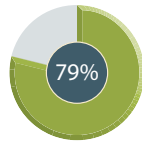
This is a missed opportunity for today's organizations. Openly sharing information beyond the enterprise offers a host of advantages including improved customer service and loyalty, new revenue streams, competitive differentiation, a streamlined and more efficient supply chain, reduced operating costs, and much more.
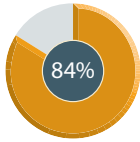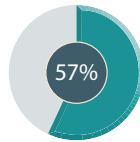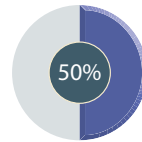
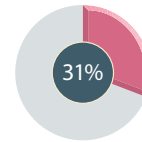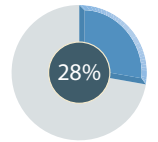| 88%	84%	79%	57%	50%	31%	28%
Executive management	Mid-level management	Knowledge workers	Operational/ front-line employees	Customers	External partners	Suppliers

The Importance of Sharing. As workers move down the organizational ladder – from executive management to operational employees – or even outside the organization, the importance of sharing information drops dramatically, according to survey respondents.

IT Not Focused on Creating Enough Value With Information Capital

To maximize value, organizations must tap into their enterprise data in new ways. Information must be effectively leveraged at all levels to drive innovation, build stronger customer relationships, and generate new revenue.

Survey responses show that these are not the primary motivators when it comes to creating and executing information management strategies. While enabling better decision-making and increasing productivity will deliver benefits, the ability to use data to drive profits, build higher levels of retention and market share, and grow through innovation will be the new frontier for companies seeking to truly maximize their information capital.

Success
With Our Solutions

Neways
Customer Quick Glance

Neways, a leader in personal care, household, and health and wellness products, has created a new profit center by building self-service, automated, web-based dashboards that enable independent distributors to gather information to boost revenue and profitability.

Insperity
Customer Quick Glance

Insperity, a provider of HR and business solutions, built an enterprise reporting environment that delivers information to employees and clients, streamlining operations to reduce costs and improve customer service.
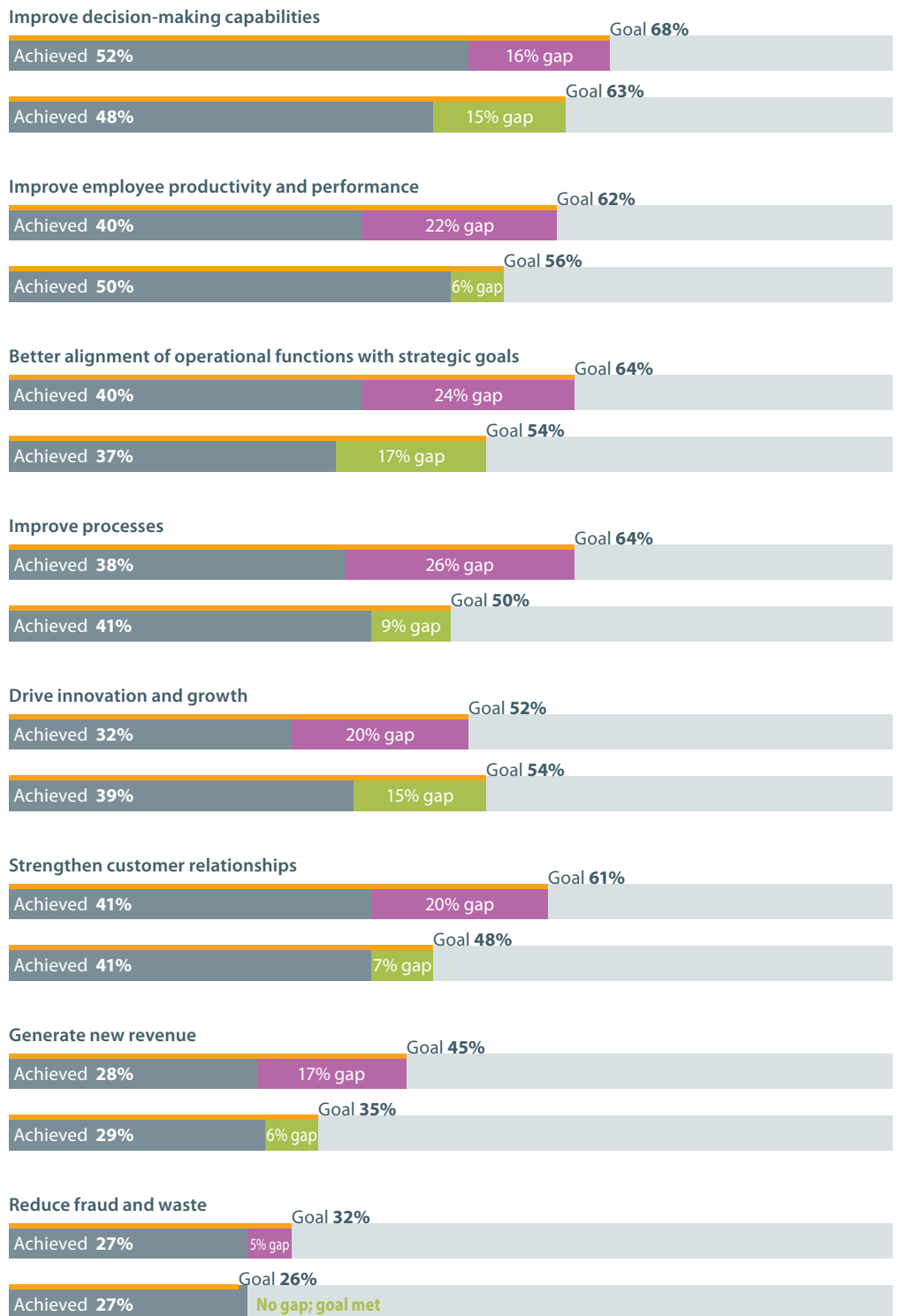
IFDS Canada
Customer Quick Glance

IFDS Canada, solutions provider for investment fund managers, is strategically using BI to help clients make more informed business decisions, differentiate itself from the competition, and improve customer retention.

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Achieving Information-Sharing Goals?
Respondents have clear ideas about the motivating factors for sharing information: improve processes, decision-making, employee productivity, and customer relationships, and better align operations with strategy. But the results in many cases imply that organizations are struggling to convert these goals into actual achievement, with glaring gaps between these motivating forces and the real benefits achieved. The anomaly is in the "Reduce fraud and waste" category, where EMEA respondents perceive that this goal is being achieved.

■ **U.S. respondents**

■ **EMEA respondents**

Improve decision-making capabilities

Goal **68%**
Achieved **52%**   16% gap

Goal **63%**
Achieved **48%**   15% gap

Improve employee productivity and performance

Goal **62%**
Achieved **40%**   22% gap

Goal **56%**
Achieved **50%**   6% gap

Better alignment of operational functions with strategic goals

Goal **64%**
Achieved **40%**   24% gap

Goal **54%**
Achieved **37%**   17% gap

Improve processes

Goal **64%**
Achieved **38%**   26% gap

Goal **50%**
Achieved **41%**   9% gap

Drive innovation and growth

Goal **52%**
Achieved **32%**   20% gap

Goal **54%**
Achieved **39%**   15% gap

Strengthen customer relationships

Goal **61%**
Achieved **41%**   20% gap

Goal **48%**
Achieved **41%**   7% gap

Generate new revenue

Goal **45%**
Achieved **28%**   17% gap

Goal **35%**
Achieved **29%**   6% gap

Reduce fraud and waste

Goal **32%**
Achieved **27%**   5% gap

Goal **26%**
Achieved **27%**   **No gap; goal met**

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Although U.S. companies seem to place more emphasis on these areas than their counterparts in EMEA, the fact remains that across the board IT has yet to appropriately prioritize business drivers in a way that will fully reap the value of BI applications. This further demonstrates the pitfalls associated with a limited understanding of the information needs and preferences of customers, operational employees, and business partners. To achieve these goals, information must be readily available to each and every stakeholder, whenever and however they need it.

Enterprises Have Narrow Insight Into User Needs

Business analytics and information consumption needs – frequency, format, ease of access, etc. – vary greatly from one individual to the next, based on their role, responsibilities, skills, and knowledge. To effectively share information among different user groups, organizations must fully understand the requirements and preferences of each.

As mentioned previously, innovation and growth are not top priorities in information management strategies. This relates to another troubling issue: according to the study, companies are failing to solicit input about how customers, operational employees, and business partners may need or want to access and consume information. Responses show that the information delivery preferences of top-tier employees are actively sought out, while those of second-tier and external stakeholders are often overlooked. This indicates that the approach to information delivery and BI is still very knowledge-worker-centric and the selection of solutions and other related decisions are made in a top-down fashion.

More than 80 percent of respondents claim that they regularly solicit feedback from their executive and mid-level management teams, and 70 percent frequently gather similar sentiment from their base of knowledge workers. Yet only 55 percent are making an effort to understand the information needs and preferences of their operational and frontline employees.

External constituents seem to be the furthest removed from the feedback loop. Just 51 percent of respondents attempt to gain insight into the information needs of their customers, and only 41 percent claim to do the same for their external partners. Suppliers fare the worst, with a mere 34 percent of organizations exploring their information needs.

Percent of respondents who "frequently" or "occasionally" solicit input from various user groups regarding their information delivery preferences.
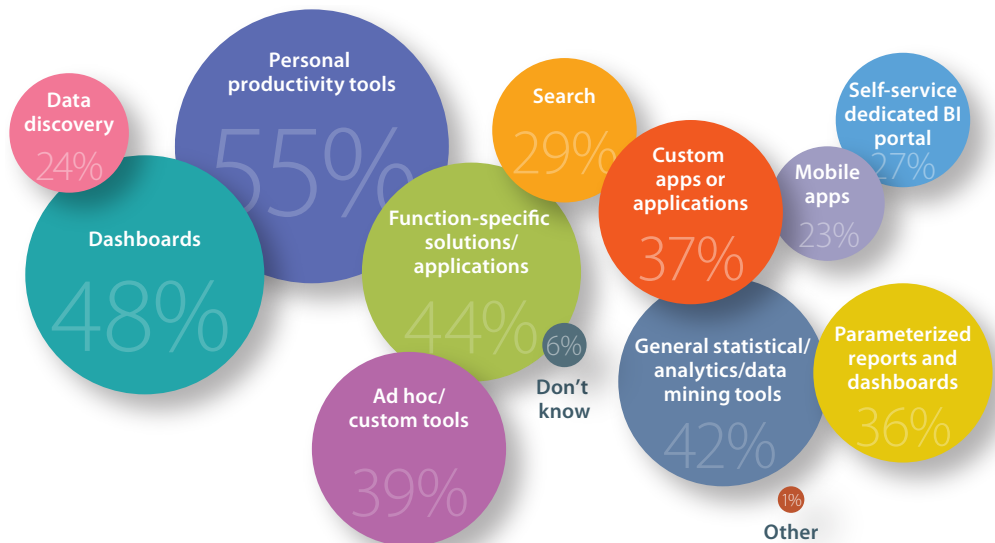

82%	83%	70%	55%	51%	41%	34%
Executive management	Mid-level management	Knowledge workers	Operational/ front-line employees	Customers	External partners	Suppliers

Tools vs. Apps and Dashboards: What Do Users Really Want?

The study also confirmed that approximately half of all users interact with BI by consuming and reviewing reports prepared by others, while 45 percent perform data discovery-related activities. A much smaller user base (38 percent) uses tools to build their own dashboards and queries, while even fewer (31 percent) build reporting applications for others.

Although there appears to be far more people who consume information, rather than write reports or perform complex analysis on their own, companies tend to rely on tools as much – if not more so – than function-specific solutions and apps.

Data discovery 24%

Personal productivity tools 55%

Dashboards 48%

Search 29%

Self-service dedicated BI portal 27%

Custom apps or applications 37%

Mobile apps 23%

Function-specific solutions/ applications 44%

Ad hoc/ custom tools 39%

Don't know 6%

General statistical/ analytics/data mining tools 42%

Parameterized reports and dashboards 36%

Other 1%

This reinforces the belief that while BI strategies are driven largely by the needs of power users, knowledge workers, and others in information-intensive roles, there is a lack of insight into how many information consumers, such as customers and operational employees, want to access and use enterprise data. This gap makes it nearly impossible to effectively and economically deliver information to the masses.

Obstacles to Widespread Deployment

Respondents indicate the desire to share information not only with the top tier, but also employees, customers, and business partners. But many believe that there are significant roadblocks to achieving this vision, and to realizing the accompanying benefits.

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True BI pervasiveness depends on being more inclusive than the traditional, business analyst-centric approach, as well as a deep understanding of the unique needs of each user group. But there are other requirements, including the ability to tightly integrate information sources, and ensure the consistency and correctness of data. Not surprisingly, cost is perceived to be a problem for many organizations. However, costs can be minimized by moving away from a tools approach and deploying function-oriented solutions and information apps instead.

Difficulty finding the right technology/capabilities

Concerns about the cost of technology investments

Other

Concerns about data quality and/or reliability

Requires too many IT staff resources

Concerns about the ability to access the data we need from internal or external sources
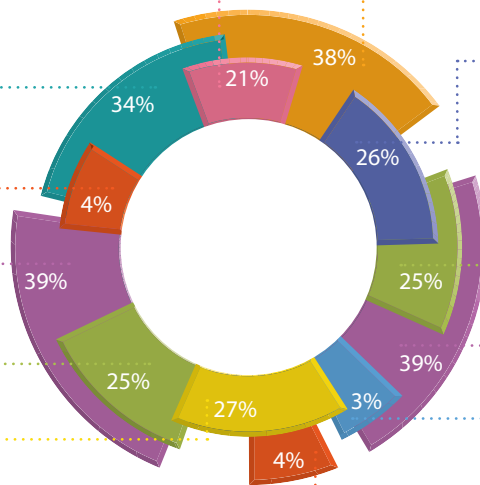
Technology integration challenges

Concerns about user adoption/need for training

Sharing information beyond the management level is not supported/encouraged

Internal politics and/or the requirement for significant changes to the organizational culture

None

Don't know

The top challenges or inhibitors hindering the widespread sharing of actionable information with all stakeholders.

Mastercard

Mastercard's reporting tools proved too cumbersome, requiring a detailed understanding of data and a restrictive licensing policy that limited their extensibility to multiple business domains. The company developed targeted reporting solutions for many areas of its operation. By enabling an unlimited set of BI assets to be delivered to employees and customers, Mastercard has reduced administrative costs while enforcing data integrity.

ClaimsPro

ClaimsPro, a Canadian provider of claims and risk management solutions, helped to drive global expansion by replacing custom reporting processes with an intuitive BI environment that enabled non-technical users to satisfy their own information needs. A comprehensive yet user-friendly dashboard now provides managers with the ability to track vital metrics, such as revenue, work in progress, and quality assurance, and drill down to more detailed data to investigate problems. This increased visibility into claims activity has improved efficiency, and will boost revenue generation as ClaimsPro expands into international markets.

Success
With Our Solutions

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Conclusion

The more information is shared, the more value it creates. The IDG Research study clearly shows that organizations understand this concept.

However, most organizations continue to limit the availability of vital information to certain user groups – such as operational employees, customers, and business partners – and lack insight into how those users prefer to consume enterprise data. Many organizations also continue to rely on tools rather than consumer-like, function-specific solutions and applications, further hindering the widespread deployment of BI and analytics.

To reap the full advantages of their BI and analytic solution investments, organizations must promote the availability of timely, complete information to everyone inside and outside the enterprise. Companies must close the information delivery gaps that exist between executives and knowledge workers, and operational and external stakeholders, to make information available to each user group based on their specific preferences and needs. They must also overcome various other obstacles – questionable data quality, lack of integration, corporate culture, and cost concerns – that are prohibiting true BI pervasiveness.

To realize maximum returns – improved strategic direction, real cultural change, and strengthened relationships with key stakeholders – on their information investments companies need a combination of robust business intelligence, integration, and data integrity solutions. By seamlessly unifying data from all enterprise sources, ensuring its quality and completeness, and making it instantly available to all users in their preferred format, these solutions can empower organizations to reach the full potential of their information capital.

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