

# CIOs Adapting To Fundamental Change

## *Recent Paradigm Shift in Business Intelligence Requires New Management Approaches to Ensure Project Success*

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By Andrew Hickman and Jim Rushton

### **Abstract**

*CIOs today are seeing a fundamental shift in the nature and use of Business Intelligence (BI):*

- 1) Users are now defined by the hundreds and thousands, not by the handful.*
- 2) The new BI audience needs to have solutions that are as easy to use as the Internet because they do not have time to spend multiple days off-site to be trained on a tool.*
- 3) The projects are defined as business initiatives, not technology projects.*

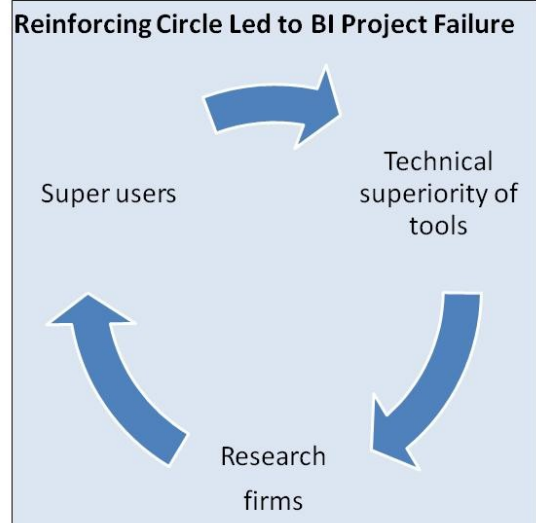
*A summer 2008 survey by Korn/Ferry International of CIOs and IT executives found evidence of this shift in BI projects. Success in this new era of business intelligence requires business leaders to ensure that their organization's culture, technology and processes are intertwined around a commitment to analytics. This paper details how the BI environment has changed and what companies can do to set a strategic direction to execute successfully.*

### **Background**

Failed Projects – In order to understand today's BI environment, it is important to understand how we got here. Step back to the late 1990s. Companies wanted to make better decisions using their growing collections of data. But they were unwilling or unable to offer much more value than simply a desire for better data when it came time to evaluate BI projects and tools. They needed objective measures and found them in the form of technical superiority. Every BI project became a full-on bake-off of reporting and query tools (e.g, Business Objects, Cognos, Hyperion, MicroStrategy). Companies allowed these bake-offs to be driven by "super users" who wanted to see the latest and greatest capabilities that these tools had to offer. BI tool companies wanted to do what was required to

win the deal, and over time this meant they refined their customer pitches to really put a shine on these deep capabilities and specific differentiating nuances of their latest release. The problem with this approach was that the focus was not on the ultimate business value. This approach had a limited upside, but time would ultimately identify the weakness.

Tool Functionality Bake-Offs – As the research companies (e.g. Gartner, Forrester) covered the BI space, they accurately recognized that the super user was the major influencer in the BI tool selection, thus they began to cover and discuss the tool capabilities and nuances as well. This gave external objective backing to this technical approach. The role of super user as center of the BI universe was cemented. Furthermore, the BI tool companies’ strategy of focusing on technical nuances, not business value, was validated as well. Tools became so complex and full of interesting technical capabilities that users (the super users) had to go to major training just to use them. Training sessions were so in-depth that they



were typically held off-site at the BI tool vendor’s facilities and were more often than not multi-day sessions.

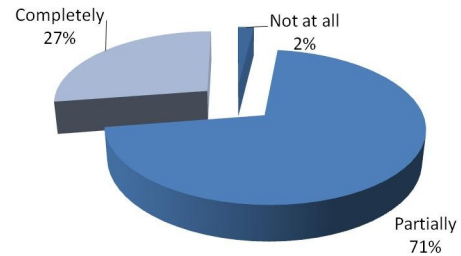
Rise of the Super User – Because the super user became the center of the universe as relates to BI tool selection, the BI tool companies were right in focusing sales and R&D to develop capabilities that were rarely used but helped win the super user’s support, and thus the customer account. When IT went to the end users of the reports (e.g., a product manager at a manufacturer, a buyer at a retailer) and discussed these deep technical nuances, the end-users were overwhelmed and typically deferred their decision-making to the super user who “knew more about this stuff.” At this point, the true end-users (the

consumers of the reports) didn't actually even touch the BI tool because it was so specialized that only the super user had the ability to utilize it.

### **Changing Landscape**

BI Project Maturation – Microsoft's experience with everyday business users illustrates how BI projects are changing. Several years ago, Microsoft performed thorough customer research with users of its flagship product, Microsoft Office, to see what new enhancements and additions users wanted in future releases. The real "ah ha" uncovered during this research was that the majority of "new" functionality desired by users already existed within the current releases of Office. It turns out that the tools had become so complex and chock full of technical abilities that users were not aware of, and could not use, these advanced capabilities. Microsoft responded, and the newest version of Office (Office 2007) was less about new functionality and more about making that functionality available and usable without extensive training.

### **How well have analytics initiatives been communicated to your organization?**



Source: Korn/Ferry International Summer 2008 Survey

The parallel to BI tools is emerging and quickly being recognized by executives: BI deployments are no longer to a select few super users, but rather to hundreds, sometimes even thousands of users. However, the methods of tool selection and deployment are often still stuck in the days of the super user requiring extensive training. This is a recipe for failure. If tools are designed for heavy training, but deployed with little to no training, the likelihood for success is low. We are seeing the results: expensive project deployments to large volumes of users quickly become projects where only a handful of workers utilize the actual tools and analytics in their daily decision-making. Or the results are even worse,

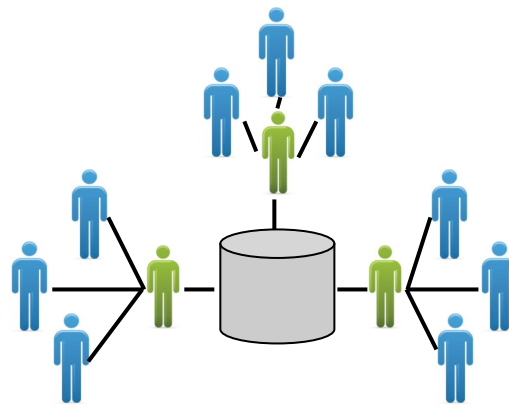
as noted in this Korn/Ferry International survey response: “The implementation was a disaster that cost most on the team their jobs.” Companies have a choice: They can send their entire workforces to extensive training and turn everyone into a BI tool expert, or they can learn how to deploy tools that the workforce will use. Since there is no feasible means for companies to send this large volume of people to extensive, multi-day training, the only real option is to deploy easy-to-use BI tools for the masses.

Let People Do Their Jobs Again – The ultimate goal of any BI deployment is for knowledge workers to make different and better decisions than they would have made without access to the information provided by the BI tool. Because of the technical complexity of BI tools deployed in the past, we often find that users are spending the majority of their time creating reports, not using the reports. When casual users spend their time creating a report (e.g., sourcing, querying, sorting, formatting, etc.), what they are really doing is

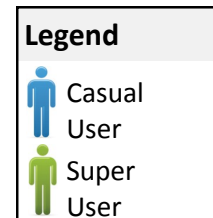
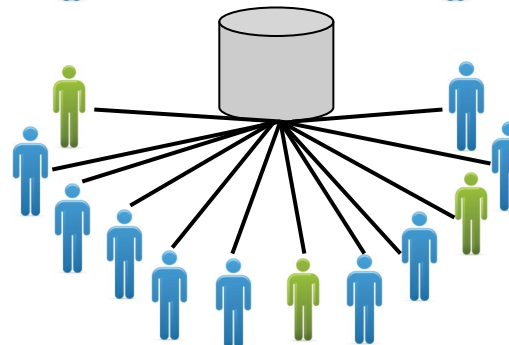
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### BI Deployments Are Expanding

**Then:**  
Information  
Constricted by  
Super Users



**Now:**  
Democratization  
of Information



substituting human labor for data processing. By correctly aligning technology and process with easy-to-use BI tool deployments, companies free workers from doing what a computer can do and allow them to do the job they are paid to do: use reports to identify new insights, uncover trends that were previously overlooked, react quickly to short-term market opportunities or adjust a product's price based on immediate market factors.

Additionally, when casual users are able to quickly and easily run the basic reports they need on their own, the super user is no longer inundated with simple report requests from end-users who were previously unable to utilize the technical BI deployments. They are free to run the next level of

reporting that comes only with ad-hoc, deep dive analysis. The super users' new found freedom allows them to leverage their expertise to develop

advanced analysis and new insights that are missed in the core needs.

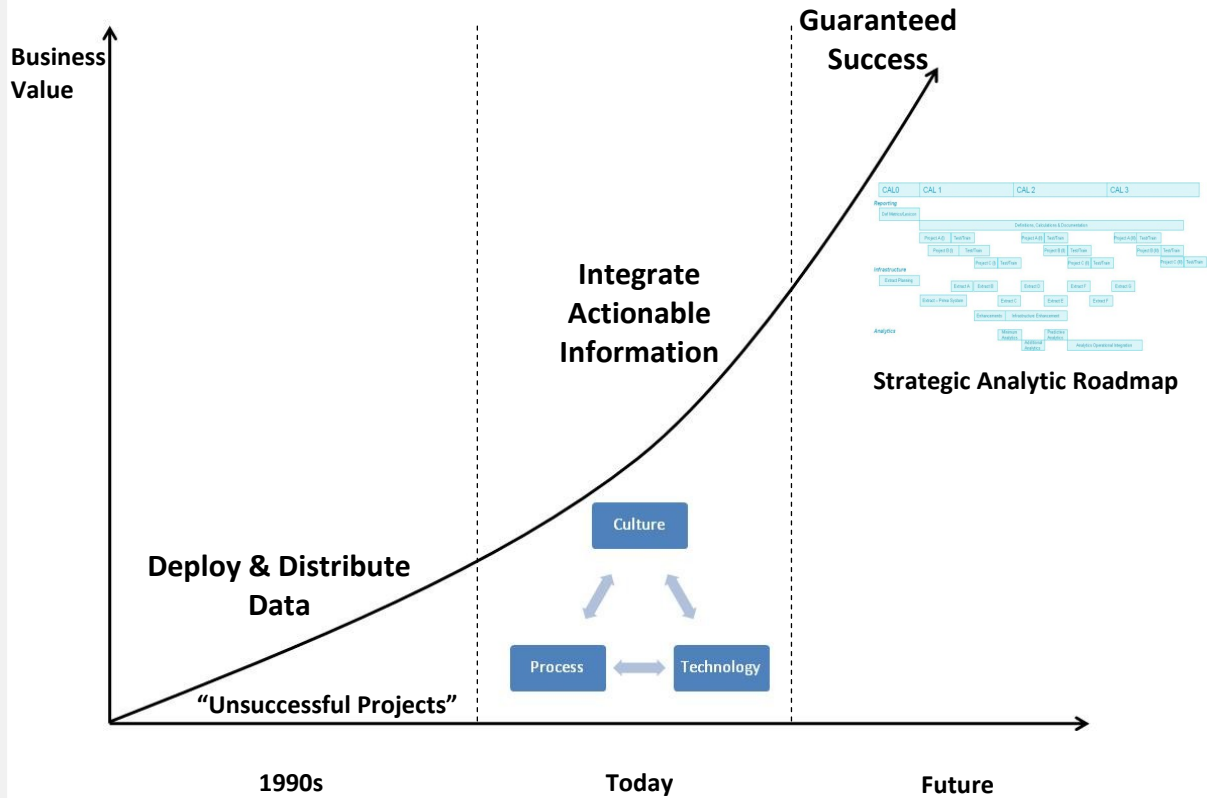
Non-Obvious Influence – As we have shown above, today all knowledge workers are the customers for BI tools. They bring with them new expectations than can

**“Having the business engaged and driving these projects has resulted in improved success for the projects. Witnessing some successes has also increased the desire of the business to engage with IT for future projects. The cost of the projects is also now justified by the business. They develop the business cases with facilitation from IT.”**

*— Respondent to Korn/Ferry International Summer 2008 Survey*

determine the success or failure of a BI project. Leaders must be aware of these expectations and what drives them. We also know that sometimes your customers' satisfaction isn't just driven by what you do, or even what your competitors do. It can be impacted by a “non-obvious

## The Paradigm Shift in Business Intelligence



influence.” What does this mean? Let’s say you are a hotel company (let’s pick Marriott for this example). You are constantly watching what Hyatt and Sheraton are doing because you want to understand the options and experiences your customer could be getting from those competitors. However, what if your customer were engaging in activity with a company that is not a competitor to you at all? Well, you would not worry about that experience because you “have to stay focused” on what you do. This is

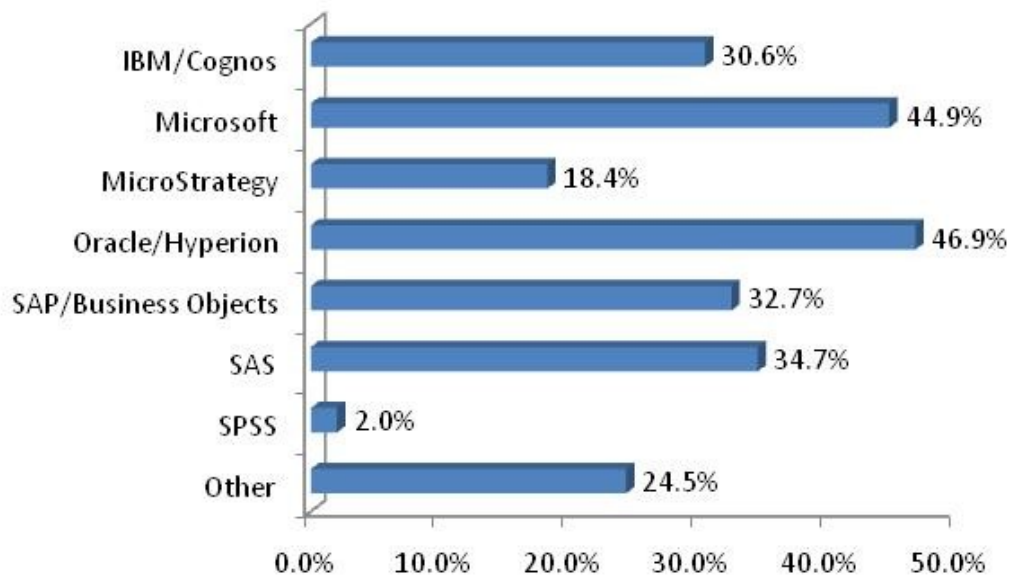
exactly what happened to Marriott in the 1990s. Many Marriott customers were renting cars from Hertz. Hertz had set up a Gold program that had cars under a cool and shaded canopy, trunk open, keys in the ignition -- ready to drive off immediately without customers having to stand in line with a customer service rep. However, when those same elite customers arrived to check in at Marriott they were forced to wait in line. So, while Hertz and Marriott do not compete in any way, Marriott’s customer

satisfaction was harmed by their customers' experience with Hertz.

A parallel is occurring with BI tools right now. A few years ago, the business user had been trained at another company with a BI tool or it was a new experience. The bottom line was that any capability delivered was better than having nothing at all. After all, business users didn't run queries. However, with the rise of Internet self-servicing consumer apps and Google, every working American is now running queries on a daily basis – getting driving directions from Dallas to Houston, finding flight schedules to

Orlando or pricing a Wii. Those queries mean that expectations of business users, users who had previously never run a query, are now set: the ease-of-use they expect, the response times they deem acceptable, the capabilities they require. Marriott had to respond to changing expectations based on what Hertz was doing to its customers. Similarly, you need to respond to your business users' changed expectations based on what Google and the Internet have done to provide real-time queries to your business users.

**What BI/analytics tools are currently used by your organization?**



Source: Korn/Ferry International Summer 2008 Survey

## Shift in BI

So, the environment has changed substantially based on a number of key factors:

- ***User Proliferation.*** You can no longer roll out capabilities to a select few. Modern BI deployments are to the masses – hundreds, sometimes thousands, of users.
- ***Time-Pressed Users Forego Training.*** Users need to be productive with the BI tools immediately. No time for extensive training means ease-of-use is a requirement.
- ***User Expectations Have Changed.*** The rise of self-service queries to everyone has introduced a “non-obvious influence” on your business users’ expectations.
- ***No Longer a Technology Project.*** BI is defined as a business project with a business result. Clearly, technology is still a major component of any BI deployment, but it must be integrated with the business processes to be successful. “We started down the BI path seven years ago as a technology projects,” said one respondent in the Korn/Ferry International survey. “When it failed we took a step back

and made it a business initiative, and it has been successful since that time.”

- ***Information Must be Actionable.*** Tool capabilities are not enough. They must match organizational capabilities. That means reports (Technology) must be actively utilized by a business user (Organization) and a decision or action must be made (Process). Nearly 74% of CIOs surveyed by Korn/Ferry International said their organizations did not have these factors completely aligned.

## Managing Changing Components

BI executives who want to successfully manage this paradigm shift toward a business focus while also handling process and organizational changes (in addition to dealing with those already thorny technology concerns) will need to learn new management techniques because they will be called upon to provide thought leadership for their organizations. The leadership traits required to juggle these demands are often missing in BI executives because they tend to have grown into their current role by moving up from jobs

whose focus and success were defined by efficiency in application development and measurement against service level agreement metrics. This finding was reiterated in many of the responses gathered in the Korn/Ferry survey mentioned previously, where executives stated that an intimate understanding and engagement with the business goals was not a nice-to-have, but a have-to-have for the BI exec. Without this business thought leadership, BI projects cannot achieve their full potential.

Making all of these changes may seem overwhelming, and yes, it does take a different set of skills to succeed. However, with appropriate planning and revised methodologies it is very doable. One of the ways that we have been able to handle all these disparate moving parts and synthesize them into a discrete and workable set of actions is to leverage the learning and best practices found in Armeta's MILESTONE tool. MILESTONE is a Reporting and Analytics Optimization Engine that helps BI executives and their teams answer important planning questions such as:

- How do you balance multiple and competing priorities across a diverse set of stakeholders?
- How much of my time on this project should I allocate to process integration versus business requirements?
- How do we deliver and communicate Phase 1 so that users are satisfied even though it is not the total functionality desired and documented?

MILESTONE allows the entry of key environment data (organization, process, analytic culture) and combines it with factors such as budget and calendar timing to create specific risk scores relating to a BI project's implementation. This data comes from process surveys, business user interviews and quantified analysis of systems. Years of experience with successful projects and knowledge of best practices have been codified to create an objective look at the organization. The risk scores allow you to balance the project resources optimally for implementation success

because they bring problems into the open at the beginning of a project.

Often times, one of the immediate next steps to this optimization exercise is to develop a long-term strategic roadmap that includes all stakeholders and their disparate needs, showing when (and how) each of those specific BI needs will be met, what it will cost and any other necessary prerequisites. (According to the Korn/Ferry International survey, 29% of CIOs said their organizations had no strategic roadmap for BI implementation.) The risk scores and roadmap change for each company. For example, one retail client had a high risk on timeliness of delivery because of scope creep. The company was able to confront this problem and understand past failures at the beginning of the project. It developed a structure for setting boundaries that both business and IT could accept. The result was a successful, phased implementation of BI reporting.

Any silo-ed approach is the surest way to failure and user disappointment. CIOs are teaching their organizations this lesson. “We

will not attempt to ‘boil the ocean,’ ” one respondent said. “Instead we are taking an iterative approach of ‘test and learn.’ ” As we have seen in past projects, balancing needs in this manner combined with a methodically thought-out approach to a phased delivery that addresses not simply technology, but also the process and organizational needs, is the best way to drive value with BI projects. ■

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