FORRESTER®

Grow Your Business And Compete With A Winning Business Intelligence Strategy

Executive Overview: The Business Intelligence Playbook

by Boris Evelson
November 20, 2018

Why Read This Report

Enterprise business intelligence (BI) is chock-full of challenges. Only partially a science, it remains mostly an art based on best practices and lessons learned. Rather than reinvent the wheel, application development and delivery (AD&D) pros working on BI initiatives should leverage Forrester's business intelligence playbook — a series of reports with practical and actionable advice on how to jump-start or modernize any BI initiative or turn around a failed one.

This is an update of a previously published report; Forrester reviews and updates it periodically for continued relevance and accuracy.

Key Takeaways

Systems Of Insight Don't Reduce The Need For BI Basics
Systems of insight (SOIs) — the next-generation BI — still require the same discipline as BI to source, integrate, model, report, and visualize data. Read Forrester's SOI research on new technologies and best practices, but remember: They all complement and improve rather than replace BI.

Business Users Rule BI (With TLC From AD&D Pros)
The battle of wrestling BI from business users into centralized environments has been fought and largely lost. Homegrown, shadow IT BI applications still proliferate. AD&D pros should use Forrester's Agile BI methodology and best practices to make their enterprise BI environment industrial strength, while keeping it agile and empowering business users to get the job done.

Building Successful BI Is Only The First Step — Making It Last Is The Real Challenge
Forrester's BI playbook not only emphasizes commonsense best practices to keep the BI environment effective and efficient; it also provides a unique approach to measuring and benchmarking BI processes for continuous and proactive improvement.

Grow Your Business And Compete With A Winning Business Intelligence Strategy

Executive Overview: The Business Intelligence Playbook

by Boris Evelson
with Srividya Sridharan, Martha Bennett, Elizabeth Cullen, Christian Austin, and Aldila Yunus
November 20, 2018

You Can't Manage What You Can't Measure

CEOs and other senior executives must identify ways to evolve their operating models from being simply data aware to insights driven. This evolution is key to supporting their overarching customer obsession strategy — concentrating on attracting, serving, and retaining customers — while boosting profitability, raising market share, and leapfrogging competitors.[1] But achieving these objectives is not as simple as just looking at the numbers. What about nonfinancial measures (e.g., customer loyalty and employee satisfaction) that don't show up in financial accounting? How do you quickly and efficiently get the full 360-degree view of your customers and your business?

To execute their business strategy, decision makers need a customer-focused, strategic, and pragmatic way to measure their finances and operations — and AD&D pros need to deliver these actionable insights to their fingertips. Without such measurements, supported by enterprisewide BI deployments (AKA pervasive BI), businesses can't link operational results to strategy. Organizations will also find it difficult to get a coherent view of their internal and external processes, customers, logistics, operations, and finances. However, earlier-generation BI environments often failed to:

› **Align business and the technology organization.** Rationalization and centralization of technology resources, a single version of the truth, and top-down data governance — all seemingly noble technology organization endeavors — failed to foster true partnerships with business. Business stakeholders have a different view of the world: Getting things done and achieving their business objectives on time often trumps higher-level, enterprisewide technology initiatives.

› **Bring enterprise BI to the masses.** Firms have been building and delivering enterprise BI environments for more than 30 years. Yet, on average, global data and analytics decision makers report that their organization bases only 45% of its business decisions on quantitative data — meaning that more than half of its business decisions are based on qualitative factors like intuition and gut feeling.[2]

FOR APPLICATION DEVELOPMENT & DELIVERY PROFESSIONALS

Grow Your Business And Compete With A Winning Business Intelligence Strategy
Executive Overview: The Business Intelligence Playbook

November 20, 2018

› **Democratize most of the enterprise data.** According to estimates by data and analytics decision makers, the median organization only managed to use about 50% of its structured data, 25% of its unstructured data, and 38% of its semistructured data for BI in 2016 — and we haven't seen that change significantly in the past two years.[3]

› **Establish a clear tangible BI ROI.** While AD&D pros and business executives alike intuitively feel that building enterprise BI platforms and solutions will empower businesses to make better-informed decisions, senior executive sponsors rightfully ask for tangible business cases for their BI investments.

BI Has A Clear Impact On Top And Bottom Lines

BI is now at the top of most enterprises' agendas. Why? One reason is that the majority of BI deployments now boast a clear, tangible, and quantifiable ROI.[4] Over the past several years, Forrester clients have been building successful BI business cases based on:[5]

› **Cost savings.** Automating manual processes, retiring redundant BI platforms, rightsizing, and redeploying BI resources are just some of simple ways to achieve cost savings and avoid future costs based on more modern and streamlined BI platforms and applications. In fact, 21% of global data and analytics decision makers report reduced IT costs as a benefit of using analytics.[6]

› **Top- and bottom-line improvements.** Forrester often sees examples of revenue increase due to better sales pipeline analysis, better understanding of the cause and effect of customer churn, or improved margins and profitability based on laser-focused customer segmentation and differentiated treatments. Twenty-two percent of global data and analytics decision makers noted an increase in revenue tied to using analytics.[7] But top- and bottom-line improvements don't just come from the income statement line items. Balance sheet BI-based benefits often include higher asset valuations and reduced-risk reserves requirements.

› **BI as a profit center.** Got data? Why not turn it into a revenue stream? Multiple credit agency and financial information service providers have been using data they already have for additional revenue streams for years. Now Forrester is also seeing a trend where retailers leverage the wealth of their point-of-sale transactions and turn it into analytics that they sell back to manufacturers and distributors. The opportunity to data commercialize exists within every vertical.[8]

› **Correlations to business performance.** Calculating BI ROI on specific projects is often an easy task, but visionary organizations have also figured out a way to measure ROI on their infrastructure BI investments. As organizations measure their BI maturity periodically — one of Forrester's top recommendations — they should track potential correlations between the BI maturity and other corporate performance metrics, such as revenue growth, profit margins, stock price, and industry ranking.[9] If you do find such a correlation within your enterprise, you've hit a gold mine — your

FOR APPLICATION DEVELOPMENT & DELIVERY PROFESSIONALS

Grow Your Business And Compete With A Winning Business Intelligence Strategy
Executive Overview: The Business Intelligence Playbook

November 20, 2018

BI project budgets are safe for the foreseeable future. If you don't, reassess your BI strategy to find out if business users are looking at the right metrics and using BI applications in the manner originally intended.

Re-Energize BI With SOI Best Practices

The age of the customer has completely changed the BI equation.[10] Customers, armed with mobile phones and ubiquitous cloud-based access to every vendor, product, and service, can instantaneously switch providers at a click of a button on their mobile device. Therefore, winning and retaining customers is the No. 1 business priority for industry leaders, one that trumps their internal business process requirements. Consequently, business agility — the ability to react almost instantaneously to ever-changing customer demands — is a key competitive differentiator.[11]

Modernizing BI environments to drive greater agility — such as by embedding BI into systems of record, systems of automation, and systems of engagement; investing in next-generation data architecture; making BI actionable; moving to the cloud; and implementing a self-learning continuous improvement mechanism — are the key themes throughout Forrester's BI playbook (see Figure 1).[12] To achieve successful BI outcomes, AD&D pros responsible for BI initiatives should:

1. **Discover.** Stay on top of the latest trends, because the market changes quickly. Next-generation BI platforms that can take your organization closer to the SOI vision include new technologies like AI, machine learning, text analytics, in-memory, cloud, and mobile; new database types like NoSQL; and Hadoop- and Spark-based data storage and processing. Invest your valuable time in building BI applications that drive real business value, and let Forrester keep a finger on the pulse of the market for you.[13] Use this phase of the playbook to see Forrester's vision of the market's future and detailed vendor landscapes.

2. **Plan.** Get to your target state with a clear picture of your current state and road map. All 12 detailed research reports in the Forrester BI playbook contain key components of your BI strategy. Many Forrester clients successfully copy and paste headlines, bullets, and text from the playbook for an instantly customized BI strategy plan and presentation. Our playbook also offers unique and highly differentiated BI maturity self-assessments, which help our clients get a clearer picture of their current state, gaps, and how they rank among their peers and competitors.

3. **Act.** It's not just about technology. While the playbook provides our clients with tons of detailed vendor selection methodologies and Forrester Wave™ evaluations, we dedicate a significant amount of research to nontechnical best practices such as organizational structures and processes.

4. **Optimize.** Continuous improvement is a key success factor for healthy BI implementations. Forrester has a unique point of view and body of research on what we call BI governance.[14] Use this phase of the playbook to learn about tools and best practices to monitor the usage patterns of your BI applications. Analyze what makes a BI environment effective and efficient versus a BI environment that is hardly used and fails to provide payback on your significant investments.

FOR APPLICATION DEVELOPMENT & DELIVERY PROFESSIONALS

Grow Your Business And Compete With A Winning Business Intelligence Strategy
Executive Overview: The Business Intelligence Playbook

November 20, 2018

FIGURE 1 The Business Intelligence Playbook

DISCOVER	PLAN	ACT	OPTIMIZE
Vision	**Assessment**	**Organization**	**Performance Management**
Landscape	**Strategic Plan**	**Processes**	**Benchmarks**
Business Case	**Road Map**	**Tools And Technology**	**Continuous Improvement**

Recommendations

Earlier-Generation BI Approaches Only Scratch The Surface

Tried-and-true BI best practices such as the centralization of BI platforms, top-down governance, a single version of the truth, and others will only get you part of the way to the ultimate goal: systems of insight. AD&D professionals involved in BI modernization initiatives should not reinvent the wheel but rather leverage the best practices, lessons, recommendations, self-assessment tools, and benchmarks in Forrester's business intelligence playbook to take their company's BI environment to the next level: Become an insights-driven organization; create successful business outcomes; and compete based on SOI.

FOR APPLICATION DEVELOPMENT & DELIVERY PROFESSIONALS

Grow Your Business And Compete With A Winning Business Intelligence Strategy
Executive Overview: The Business Intelligence Playbook

November 20, 2018

Engage With An Analyst

Gain greater confidence in your decisions by working with Forrester thought leaders to apply our research to your specific business and technology initiatives.

Analyst Inquiry

To help you put research into practice, connect with an analyst to discuss your questions in a 30-minute phone session — or opt for a response via email.

Learn more.

Analyst Advisory

Translate research into action by working with an analyst on a specific engagement in the form of custom strategy sessions, workshops, or speeches.

Learn more.

Webinar

Join our online sessions on the latest research affecting your business. Each call includes analyst Q&A and slides and is available on-demand.

Learn more.

Forrester's research apps for iOS and Android.
Stay ahead of your competition no matter where you are.

Supplemental Material

Survey Methodology

The Forrester Analytics Global Business Technographics® Data And Analytics Survey, 2018, was fielded in February and March 2018. This online survey included 2,879 respondents in Australia, Canada, China, France, Germany, India, the UK, and the US from companies with 100 or more employees.

The Forrester Analytics Global Business Technographics Data And Analytics Survey, 2017, was fielded between February and April 2017. This online survey included 3,378 respondents in Australia, Brazil, Canada, China, France, Germany, India, New Zealand, the UK, and the US from companies with 100 or more employees.

The Forrester Analytics Global Business Technographics Data And Analytics Survey, 2016, was fielded in March 2016. This online survey included 3,343 respondents in Australia, Brazil, Canada, China, France, Germany, India, New Zealand, the UK, and the US from companies with 100 or more employees.

FOR APPLICATION DEVELOPMENT & DELIVERY PROFESSIONALS

Grow Your Business And Compete With A Winning Business Intelligence Strategy
Executive Overview: The Business Intelligence Playbook

November 20, 2018

Forrester Analytics Business Technographics ensures that the final survey population contains only those with significant involvement in the planning, funding, and purchasing of business and technology products and services. Research Now fielded this survey on behalf of Forrester. Survey respondent incentives include points redeemable for gift certificates.

Please note that the brand questions included in this survey should not be used to measure market share. The purpose of Forrester Analytics Business Technographics brand questions is to show usage of a brand by a specific target audience at one point in time.

Endnotes

[1] See the Forrester report "Insights-Driven Businesses Set The Pace For Global Growth."

[2] Source: Forrester Analytics Global Business Technographics Data And Analytics Survey, 2018.

[3] The percentages are estimates based on reported ranges and are not exact. While we have not asked the same question in later surveys, Forrester regularly engages in inquiries, briefings, and advisory sessions with BI firms; based on these meetings, we believe that those reported ranges were true at the time and have not changed significantly since. Source: Forrester Analytics Global Business Technographics Data And Analytics Survey, 2016.

[4] Seventy percent of global data and analytics decision makers agreed with the statement "We measure the efficiency, effectiveness, and ROI of our analytical applications." Source: Forrester Analytics Global Business Technographics Data And Analytics Survey, 2017.

[5] The business case report of the BI playbook guides AD&D pros working on BI initiatives through the maze of BI business case categories and typical BI ROI components, and it identifies areas where quick wins may be possible. See the Forrester report "Quantify The Tangible Business Value Of BI."

[6] Source: Forrester Analytics Global Business Technographics Data And Analytics Survey, 2018.

[7] Source: Forrester Analytics Global Business Technographics Data And Analytics Survey, 2018.

[8] See the Forrester report "Top Performers Commercialize Data Through Insights Services" and see the Forrester report "Data Commercialization: A CIO's Guide To Taking Data To Market."

[9] Forrester's BI maturity self-assessment model helps AD&D pros working on BI projects to quickly assess the maturity of their current environments. It also allows them to benchmark their BI maturity against that of their peers and competitors, measure the progress of their BI environment, and correlate BI maturity to other business performance indicators. This report forms the assessment framework for Forrester's business intelligence playbook; it will help AD&D pros craft a strategy for ongoing assessments of their BI maturity. See the Forrester report "Establish Ongoing Processes To Assess Your Business Intelligence Maturity."

[10] See the Forrester report "Top Five Imperatives To Win In The Age Of The Customer."

[11] See the Forrester report "It's Time For A User-Driven Enterprise BI Strategy" and see the Forrester report "Define Customer Impact Metrics To Drive Digital Business Success."

[12] See the Forrester report "It's Time To Upgrade Business Intelligence To Systems Of Insight" and see the Forrester report "The New Generation Of Embedded BI Will Close The Insights-To-Action Gap."

[13] See the Forrester report "AI Unlocks The Business Intelligence In BI."

FOR APPLICATION DEVELOPMENT & DELIVERY PROFESSIONALS

Grow Your Business And Compete With A Winning Business Intelligence Strategy
Executive Overview: The Business Intelligence Playbook

November 20, 2018

Source: August 1, 2018 "Business Intelligence And Machine Learning — A Love Story, But Will It Last?" Webinar (https://www.forrester.com/webinar/Business+Intelligence+And+Machine+Learning+A+Love+Story+But+Will+It+Last/-/E-WEB25906).

[14] See the Forrester report "Divide (BI Governance From Data Governance) And Conquer."

We work with business and technology leaders to develop customer-obsessed strategies that drive growth.

PRODUCTS AND SERVICES

› Core research and tools
› Data and analytics
› Peer collaboration
› Analyst engagement
› Consulting
› Events

Forrester's research and insights are tailored to your role and critical business initiatives.

ROLES WE SERVE

Marketing & Strategy Professionals	**Technology Management Professionals**	**Technology Industry Professionals**
CMO	CIO	Analyst Relations
B2B Marketing	› Application Development & Delivery	
B2C Marketing	Enterprise Architecture	
Customer Experience	Infrastructure & Operations	
Customer Insights	Security & Risk	
eBusiness & Channel Strategy	Sourcing & Vendor Management	

CLIENT SUPPORT

For information on hard-copy or electronic reprints, please contact Client Support at +1 866-367-7378, +1 617-613-5730, or clientsupport@forrester.com. We offer quantity discounts and special pricing for academic and nonprofit institutions.