BUSINESS INTELLIGENCE FOR THE MIDSIZE ORGANIZATION

FEATURING RESEARCH FROM GARTNER

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Small to midsize businesses need to rapidly grapple with issues that influence business performance, and secure the insights and resources to deal with them efficiently and effectively. Business intelligence, or BI, is central to gaining competitive advantage and higher profits.

However, creating this decision culture isn't easy. Business data is siloed in disconnected systems, and IT departments struggle to provide solutions that enable productivity and agility in the face of market and customer demands. Manual processes, inefficiencies, and lack of accountability add to the challenge.

Midsize companies need business intelligence to rise to the competitive challenge. The key is to unlock the data captured in operational systems and applications, and transform it into useful, relevant information. With an accurate, forward-looking view of the business, everyone can better collaborate to make sound strategic decisions.

Just as important is the cost factor. While midsize companies have the same business intelligence needs of larger rivals, they don't have the same budgets. Reducing the total cost of ownership (TCO) and achieving rapid return on investment (ROI) are imperative. Business intelligence solutions need to leverage existing IT infrastructures and pre-existing assets and offer the option of flexible, incremental deployment. This enables companies to gain value from their investment today-and meet future demands as the business grows.

In short, small and midsize businesses need a cost-effective BI solution that enables better decision-making. Finance executives need to know when quarterly revenue streams change. Sales executives need to know what territories are flagging. Marketing executives want to see the results of campaigns for those areas. And business managers need the insights to enable rapid responses to issues as they occur.

According to a recent Gartner Dataquest Insight report, "Top Business Intelligence Needs Cited by Midsize Businesses" (see Page 10 for the complete report), "Managing and organizing business data has become a top initiative for many midsize businesses during the past year. Transforming this data into intuitive and informative reports and dashboards to show how the business is doing in real time, instead of waiting for monthly reports, is a key driver for leading midsize businesses."

COGNOS®

THE NEXT LEVEL OF PERFORMANCE™

KnowledgeStorm is the Internet's top-ranked search resource for technology solutions and information, with a reputation for providing superior information to customers and staff. The company uses Cognos BI to unify its huge volumes of data and make it available to both staff and customers for better, faster decision-making. Cognos allows client services teams to quickly and easily segment customers in terms of industries, geographies, technologies, products offered, and sales status. In doing so, they have provided their client services team with the insights needed to customize sales offerings, tailor marketing campaigns, and conduct predictive analysis on pricing, popularity of new offerings, and the potential for increased lead generation. They can also conduct experiential marketing based on actual customer behavior on the site.

In terms of better information for customers, Cognos provides KnowledgeStorm with a key business differentiator. Via a user-friendly extranet portal, Cognos reports and analysis are provided to customers to help them make smarter purchasing decisions, provide proof and validation of the success of their offerings, uncover new opportunities for exposure, conduct peer benchmarking, and understand the value of the KnowledgeStorm service.

"We needed a market leader that could grow with us, but we needed to start small. Cognos' ease of deployment and fast startup gave us the foothold we needed to prove value, enhance processes, and expand our offering," says Matt Lohman, Director of Market Research, KnowledgeStorm.

That's why Cognos develops BI solutions specifically to help midsize organizations *understand and decide*. Cognos BI solutions enable midsize enterprises to:

- Improve customer loyalty and satisfaction through better customer insight

- Respond faster to changing market and business conditions

- Reduce costs and improve productivity across business units, operations, or product lines.

- Get the detail behind the numbers to understand trends and spot anomalies

DASHBOARDS AND REPORTING

"Dashboards and Web-enabled reports of key performance indicators (KPIs) for executive management and managers have been key drivers for BI in many midsize businesses. Intuitive and graphical displays of information, including dials, gauges and other visualizations have appealed to midsize businesses."[1]

The business value of reporting is simple: it communicates and helps you understand your company's performance. It leads you to take action on recent information. It creates a common context for decision-making across every department and at every level. At its best, reporting is an integral part of business intelligence and performance management.

A complete reporting solution needs to:

- Recognize and accommodate different kinds of users

- Provide complete coverage for all types of reports – managed, ad hoc, production, operational, transactional, analytical, etc.

- Access all enterprise data, regardless of the source

- Provide intuitive search capabilities that quickly bring relevant BI information to the user.

Reporting with Cognos addresses these requirements by recognizing all user types, adapting to any data source, supporting all report types, and providing intuitive search functionality. In addition to accessing and distributing the right data, effective reporting software must also present business information in a variety of formats for ease of understanding and exploration.

DASHBOARDS
Dynamic, easy-to-understand dashboards are needed to help executives rapidly grasp the "why" behind critical issues, trends, and opportunities. Business dashboards communicate complex information quickly.

Cognos provides rich visualization options that can be combined to create interactive reports for maximum visual impact. You can create dashboard reports that use geographic or spatial maps to present data in different forms such as cities, countries, building floor plans, seats in an

[1]*Gartner Dataquest Insight, "Top Business Intelligence Needs Cited by Midsize Businesses"*

airplane, or parts of the human body. These can be combined with interactive charts such as gauges, horizontal progress charts, and combination charts.

Cognos business intelligence solutions offer management dashboards that translate information from various corporate systems and data to show multiple results together. Authors can build multiple queries into the same chart as well as individual portions of a chart. You can drill up or down through chart elements to see the big picture or the essential detail. Like all other reports available with Cognos, dashboards draw on the full variety of relational and OLAP data sources.
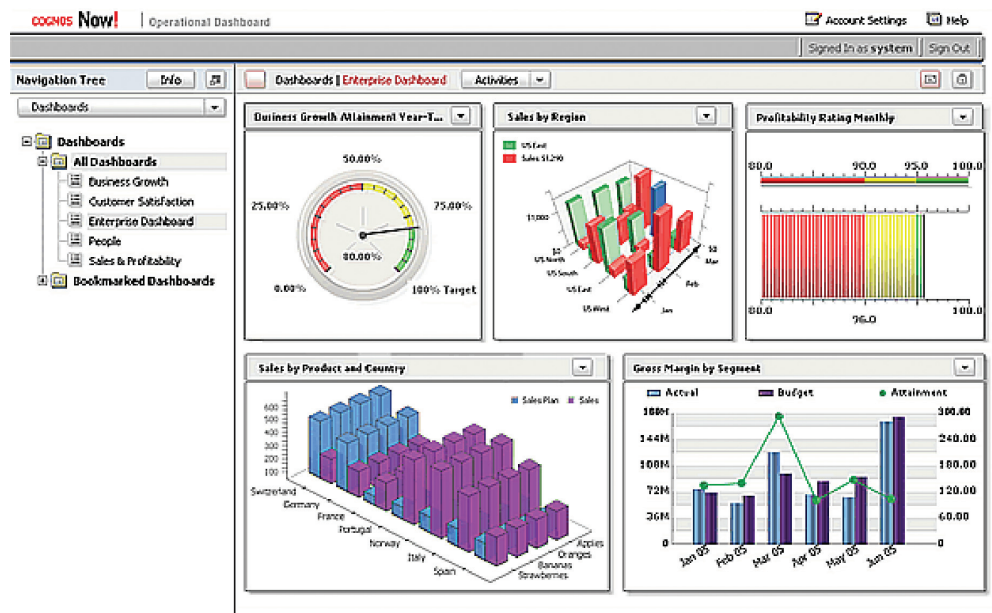
For small to midsize organizations, Cognos BI solutions offer comprehensive reporting and dashboarding-there is no need to purchase a separate application to build or use dashboard reports, saving additional cost, administration time, and training. Benefits of dashboard reports include:

- A single, simple view of business issues for an at-a-glance understanding and faster action

- A dynamic, real-world view of business with timely data refreshes

- Drill-through to access other data sources and reports for more detail

- A multi-department picture, unifying data from different core areas such as sales, marketing, finance, HR, logistics, and distribution

- High-impact visuals to bring data to life in virtually any presentation type with interactivity, multiple 2D and 3D chart types, color-coded drillable maps, animated reports, and more

- Ease of use and no custom coding.

BETTER DATA – FOR BETTER DECISION MAKING

"Midsize businesses also realize that they can reduce risks by enabling their users to operate from a single, consistent view of the business, establishing consensus positions on business trends, and minimizing individual decisions based on single data points." [1]

Midsize businesses have growing volumes of data as well as a growing number of data sources. They need to consolidate data from multiple systems and improve the insight into the data they already have.

Data can be your organization's greatest asset. Whether it comes from day-to-day operations, enterprise resource planning (ERP) systems, data warehouses, operational data stores or other sources, it is the key to understanding and managing your performance. Used effectively, it tells you what you must do to succeed, how you are doing relative to plan, and why. It enables the better business decisions that drive performance, and builds the competitive advantage that ensures your success.

However, reaping the benefits of data is not easy. Data is often fragmented and incomplete. To realize its benefits, companies need to transform data from a variety of sources into a form that can be used consistently and effectively across departments and divisions. Only then can you answer business questions, solve business issues, and make better business decisions. The key to realizing the potential of your data lies in implementing an open data strategy.

Cognos realizes that overcoming the barriers to data access is a top priority for many midsize organizations. To address the issues associated with integrating data for BI, Cognos delivers an open strategy that enables you to leverage your existing and new investments in capturing data assets and in adopting data integration strategies. These include direct data access, extract, transform and load (ETL), and enterprise information integration (EII).

The Cognos open data strategy for business intelligence lets you consolidate data from any source, with any latency, to create a single business view of your enterprise that you can use to drive better performance. Using a phased-in approach to integrating your data, you gain fast access to key data sources, and you can easily move, transform, or replicate data when it makes sense.

For example, Creativity, Inc., a leading designer, marketer and distributor of basic crafting, beading, paper crafting and scrap-booking, wanted to ensure that its wholesalers are always stocked with the right product at the right time. Realizing that the analysis capabilities in its ERP system were very limited, Creativity deployed Cognos BI and data management solutions so that employees could gain more visibility into its organization and make better decisions. Across five divisions, Cognos provided a real-time solution that could coordinate disparate data sources and locations to provide a single view and version of the truth. (See full case study on Page 18.)

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[1]*Gartner Dataquest Insight, "Top Business Intelligence Needs Cited by Midsize Businesses"*

IMPROVE CUSTOMER SERVICE

"Understanding the specifics of customer behaviors over time and in the appropriate context provides the baseline information midsize businesses need to adapt business decisions and operational behaviors and maximize results."[1]

Customer service is central to the customer relationship-acting both as an advocate for the customer within the company and an advocate for the company with the customer. A responsive, informed service organization can improve the customer experience along with business performance. Finding patterns in problems such as delivery delays, information requests, complaints, and claims leads to proactive solutions. And best practices include prioritizing service efforts for key customer segments-so companies don't lose their most profitable customers.

Customer service should also communicate customer performance metrics to the rest of the organization, so other departments are able to resolve the root causes of customer issues. Customer service is a critical barometer of a company's value proposition, and can bring excellence to the customer experience.

Cognos BI solutions help midsize organizations improve insights in four core decision areas for better business performance:

- On-time delivery: *What is driving delivery performance?*

- Information, complaints, and claims: *What is driving responsiveness?*

- Service benchmarks: *What is driving service levels?*

- Service value: *What is driving the service cost and benefit?*

IMPROVING BUSINESS PROCESS

"Using BI to monitor how business processes are working helps employees to identify and visualize problems and inefficiencies. The ability to measure performance against key business process objectives and metrics in near real time enables those processes to be fine-tuned and to quickly be adapted to changing business conditions."[1]

Midsize organizations are using BI to monitor how business processes are working and to identify and visualize problems and inefficiencies. Measuring business performance against key performance indicators, or KPIs, enables managers to better evaluate their current level of business success and to help plan for the future.

KPIs add value to aspects of business operation that are difficult to quantify, like employee satisfaction or development, and are a critical piece of long-term business intelligence strategy. When establishing KPIs, it is important to identify metrics that are achievable. It's also essential that companies measure and analyze these metrics using intelligent software. Sophisticated technology provides the framework for executing multi-level analysis about profitability, process, and other metrics that impact performance.

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[1]*Gartner Dataquest Insight, "Top Business Intelligence Needs Cited by Midsize Businesses"*

Cognos integrates KPIs with its business intelligence and planning software. Cognos solutions are designed to support seamless linking of scorecarding, reporting, and analysis, to show "big picture" connections. Regardless of business size or focus, Cognos supports critical indicators with superior KPI models and templates.

Compassion International, a nonprofit child development organization, selected Cognos to enable its employees to track up-to-the-minute KPIs using intuitive operational dashboards. Cognos enables Compassion's employees to spot emerging issues before they become critical, and make more informed and timely decisions that keep the process moving and donations flowing. (See full case study, Page 21.)

IMPROVING SALES AND MARKETING

"Sales and marketing analysis has also driven BI interest in midsize businesses. Tracking retail activity and other sales data has become critical, given the demand of many enterprises to improve product availability and inventory control. BI is also being used to spur business growth by analyzing new product and market opportunities."[1]

A sales force with the right information, at the right time, driven by the right incentives, is formidable. Accurate and speedy information can help improve sales results and reduce selling costs. And information flowing through sales can affect every other department in the company. For example, high-demand forecasts can drive greater future production. And marketing must be a strategic ally to sales, connecting the dots between strategic objectives, operational execution, and financial criteria.

From a marketing perspective, near-real-time sales data provided to retailers by manufacturers and distributors might help them with timely execution of promotions. Finally, the ability to analyze data using BI has helped many midsize businesses better target media spending and marketing efforts in different geographies and outlets.

To achieve maximum financial success, companies must examine questions like: "What is our customer demographic?", "How fast are we turning merchandise?", and "What's the rate of customer satisfaction?" As part of Cognos BI solutions, sales and customer modules deliver a configurable and easy-to-use framework to answer these questions. Organizations can perform in-depth margin analysis on customers and products, and view trends and key metrics. In addition, pre-built KPI tools manage campaigns and activity based costing (ABC) analysis.

Mark Anthony Group, a manufacturer and distributor of premium wines and alcoholic beverages including Mike's Hard Lemonade, relied on Cognos to ensure its sales and marketing teams were receiving up-to-date and accurate information in the field. Cognos provided the company with a Web-based reporting environment to eliminate running reports from a local client. (See full case study on Page 15.)

[1]*Gartner Dataquest Insight, "Top Business Intelligence Needs Cited by Midsize Businesses"*

COST SAVINGS

Rumpke Consolidated Companies is among the largest privately owned waste and recycling companies in the U.S. With Cognos, Rumpke has implemented a planning solution to streamline its budgeting process. Cognos analysis software also provides real-time information on overall productivity, payroll, and status by line of business. The Web-based platform allows different regions of the company to produce their own plans. The organization then uses consolidation at the corporate level to create consistent, interconnected planning models that accurately reflect cross-functional dependencies.

"We now have a stronger platform for decision-making with multiple planning models to address regional diversity with defined corporate consistency," says Debbie Pastura, Assistant Corporate Controller, Rumpke Consolidated Companies.

Streamlining budgets and forecasts has also reduced the administrative burden on finance, so staff can spend more time on value-added analysis. Finance not only delivers financial statements but also provides analytics in areas such as productivity and payroll. And the software is not just for financial analysts. Executives, including the CEO and CFO, have some of the highest usage rates in the company. They drive their board of directors meetings using in-depth reports and analysis. With access to a single source of comprehensive information, there is less debate over definitions or accuracy. Instead, meetings are more efficient, and people make informed decisions.

"Cost savings and efficiency is still a top priority for midsize businesses. BI solutions are providing companies with an in-depth understanding of their business processes, which has helped them identify and remove overhead costs and streamline internal operations."[1]

Midsize organizations are seizing the opportunity to cut costs by moving customers and transactions away from high-cost and labor-intensive channels to low-cost channels, such as the Web and other alternative delivery models. Cognos provides a family of BI appliances and Software as a Service (SaaS) delivery models that provide simple and cost effective alternatives to deploying BI.

The Cognos BI appliance makes it feasible for organizations to deploy BI software without having on-staff experts to install and configure it, not to mention other tasks such as maintenance, upgrades and performance tuning. The Cognos BI appliance consists of a single, complete product with highly visual, interactive, and self-service dashboards, data integration, analysis, and reports, included is the server hardware preconfigured with all the necessary software components and sold as a package for a single price. From an IT perspective, the appliance can help serve the needs of the business users whilst minimizing and regularizing IT costs. Many midsize organizations that do not have the budget or the technical resource find the appliance an effective path to implementing BI and empowering the business.

A key advantage of the SaaS model is that it allows an organization to essentially rent software instead of purchasing it. And since the software is a managed solution, there is no installation and configuration, and no need for periodic updates-only the importing and administration of data and user accounts.

The Cognos appliance and SaaS models offer a number of cost and resource advantages for mid size organizations. The appliance model was especially attractive to Compassion International, a not-for-profit, global child development organization. Compassion International implemented the Cognos BI appliance because it offered the same capabilities as large-scale BI applications in an affordable delivery model. Compassion International can monitor millions of donations for children in an application that is "easy to use and implement, without being lightweight." (See full case study on Page 21.)

[1]*Gartner Dataquest Insight, "Top Business Intelligence Needs Cited by Midsize Businesses"*

A FOUNDATION FOR PERFORMANCE MANAGEMENT

Cognos offers business intelligence solutions that let decision-makers proactively track, monitor, and respond to continuously up-to-date operational metrics in real-time or near real-time, with minimal IT intervention, and for a low total cost of ownership (TCO).

With flexible architectures designed for interoperability with other systems and support for an unlimited amount of data sources, Cognos BI solutions free midsize companies to concentrate on what they do best-exceeding the expectations of customers and growing the business.

BI is also the foundation for comprehensive performance management. By linking strategy with execution, managers have the insights and understanding to grow revenue, reduce operating costs, and improve processes.
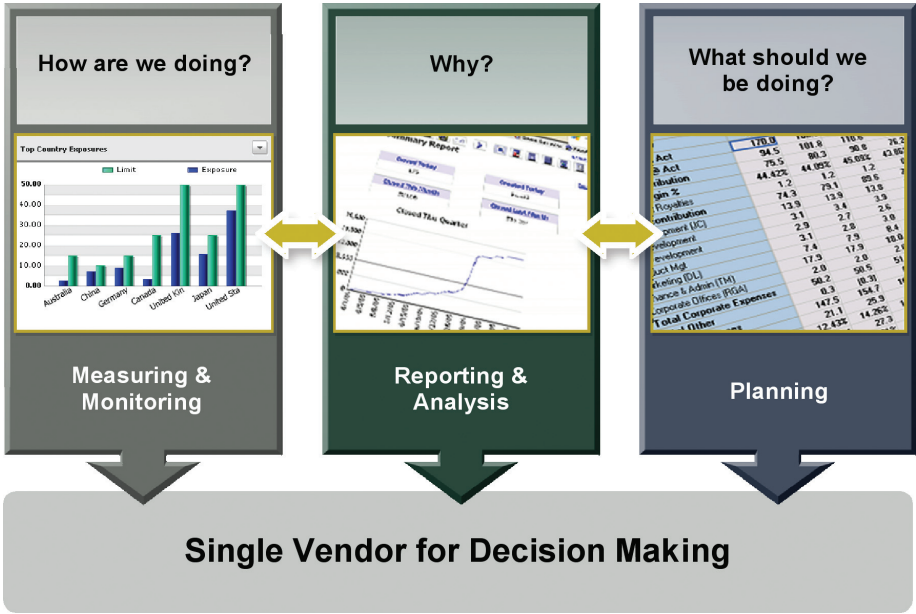
Small and midsize organizations need to dramatically improve their decision-making abilities to respond quickly to changing market conditions – and compete effectively with their larger counterparts. Good decisions are the building blocks of great business performance. This is why performance management has emerged as a strategic imperative in midsize organizations.

Performance management has been defined as a series of management processes that include setting strategy and goals, defining key metrics, measuring and monitoring performance against goals and metrics, and analyzing and reporting on performance. At its core, performance management solutions enable your decision makers to answer three fundamental questions:

    1. How are we doing?

    2. Why?

    3. What should we be doing?

It's not easy to answer these three key questions if your decision-makers rely on manual spreadsheet-based processes, or need to pull financial and planning data from multiple, disconnected software systems. The manual effort required to merge and rationalize this different data into information for a single, consistent view of the business for all users is Herculean.

At the same time, a performance management solution shouldn't be cost-prohibitive or require an overhaul of existing IT investments. To deliver true value to the cost-conscious midsize business, performance management should leverage existing IT resources and infrastructure to speed time to results, lower cost of ownership, minimize risk, and maximize return on investment. In other words, the promise of value-based performance management is improved operating performance-without breaking the bank.

How are we doing?	Why?	What should we be doing?
Measuring & Monitoring	Reporting & Analysis	Planning

Single Vendor for Decision Making

Better decision making need not be an "all or nothing" proposition. By taking incremental steps to better integrate information, technology, and people, your managers can answer the three critical questions that drive performance-and become better decision makers. Performance management provides a common understanding of the metrics, plans, and reports within and across their functional areas to make the best possible decisions.

Source: Cognos

DATAQUEST INSIGHT: TOP BUSINESS INTELLIGENCE NEEDS CITED BY MIDSIZE BUSINESSES

Managing and organizing business data has become a top initiative for many midsize businesses during the past year. Transforming this data into intuitive and informative reports and dashboards to show how the business is doing in real time, instead of waiting for monthly reports, is a key driver for leading midsize businesses.

KEY FINDINGS

- Midsize businesses want help improving the quality and use of corporate data, and then, they want the information presented to them in summarized actionable form through reports and dashboards.

- Business Objects, Cognos and Microsoft are currently the three top-of-mind vendors that midsize businesses think of when considering business intelligence (BI) solutions.

RECOMMENDATIONS

- BI providers need to consult midsize businesses on how their BI solution fits in with the customer's established technology and infrastructure.

- BI providers should provide affordable and modular solutions that allow midsize businesses to consume BI functionality as they need it.

- Delivering BI beyond a single department requires centralized infrastructure, governance and expertise in data integration, reporting and analytics. BI providers must help resource-constrained midsize businesses secure executive sponsorship and provide the resources required to design and build a solid BI infrastructure.
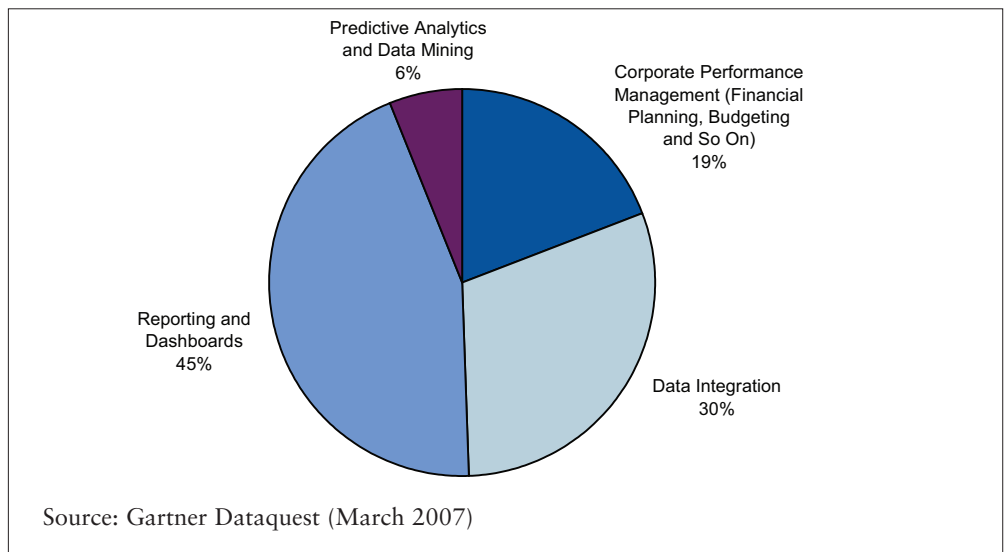
ANALYSIS

Midsize businesses are increasingly feeling the pain of too much data and inconsistent information. It is common to have data warehouses that don't make use of the stored information. According to a series of surveys at our 2006 Midsize Enterprise Summits, many midsize businesses have ranked BI as a top priority for 2007. This initiative aligns closely with one of the top internal business drivers cited by midsize businesses in primary and secondary research – improving operational efficiency, driving down costs, and improving the quality and use of data.

Midsize businesses have set their sights on the need to provide more accurate and timely information to decision makers in their organizations in 2007. When analyzed in more detail, the primary BI functions of interest for most midsize businesses focus on reporting/dashboards and data cleansing/integration (see Figure 1). The following sections of this document list BI functionality, in order of importance, that midsize businesses cited as drivers toward investing in BI.

Figure 1. Which Area of BI Will Receive the Most Investment in 2007?

Predictive Analytics
and Data Mining
6%

Corporate Performance
Management (Financial
Planning, Budgeting
and So On)
19%

Reporting and
Dashboards
45%

Data Integration
30%

Source: Gartner Dataquest (March 2007)

NO. 1: DASHBOARDS AND REPORTING

Dashboards and Web-enabled reports of key performance indicators (KPIs) for executive management and managers have been key drivers for BI in many midsize businesses. Intuitive and graphical displays of information, including dials, gauges and other visualizations have appealed to midsize businesses. Self-service reporting, which enables users to query the data themselves, without relying on IT, is also popular among midsize businesses. Nearly half of the midsize businesses that we talk to cite self-service reporting and analysis as a key criterion because it reduces the dependency on an already resource-constrained IT staff (see Figure 2).

While demand for more and better reporting started with the executive team demanding that company data be turned into usable information, midsize businesses are quickly seeing the benefits of providing reports and delivering self-service capabilities to all levels of the organization to enable them to respond quicker to business changes and opportunities. Some BI providers have already begun to deliver easy-to-use Web-based distribution capabilities, with access controls, that enable tailored reports to be quickly distributed to business partners, making the overall supply chain more responsive.

NO. 2: BETTER DATA AND INFORMATION

The demand here is twofold. First, midsize businesses want to consolidate data from multiple systems and improve the insight into the data they already have. They want the data to be accurate and organized and have access to historical information so that they can easily spot new business trends. They also want the flexibility in the way that this data is presented. For example, many trained knowledge workers still want tools to evaluate data in detail, while other user classes want the information presented to them in summarized actionable form. Reducing the effort and skill required to perform database management and data integration is important for midsize businesses because database administrators (DBAs) are one of the primary IT skills

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Figure 2. What Best Describes the Primary Goal of Reporting Investments in 2007?

Source: Gartner Dataquest (March 2007)
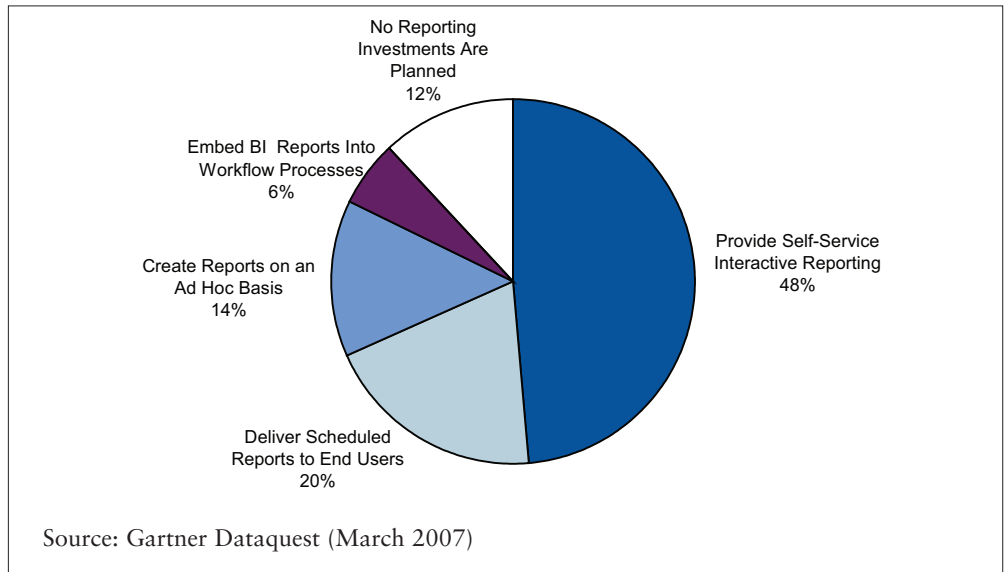
missing from their IT staff. The need for improved data quality for midsize businesses is also being driven by regulatory compliance.

NO. 3: IMPROVE DECISION MAKING

This objective is quite simple. Midsize businesses want to empower their users with quick and easy access to the appropriate information so they can make quicker, better and more-informed business decisions about operations, products and customers. Midsize businesses believe BI can help their employees identify opportunities and recognize challenges quicker than their competitors and can help their executives monitor and, hence, manage the business's financial status more closely. Midsize businesses also realize that they can reduce risks by enabling their users to operate from a single, consistent view of the business, establishing consensus positions on business trends, and minimizing individual decisions based on single data points.

NO. 4: IMPROVE CUSTOMER SERVICE

The goal here is to create happier customers. It is usually done in the area of customer service and support, but it also includes enabling customers to have access to the information they need. The call center is one of the first areas of integration for many midsize businesses deploying BI solutions. Providing employees with the information required to provide superior customer service and respond to evolving customer needs is a top priority for most companies. While focused on achieving customer satisfaction and improving loyalty, many organizations have learned that they can view customer information across service, sales and fulfillment to obtain a better understanding of their customer's buying patterns. This positions companies with the knowledge to enhance products to meet the buyers' specific needs by understanding buying patterns and demographic shifts in their customer profiles, thus leading to opportunities to extend (upsell and cross-sell) the depth and breadth of customer relationships. Understanding the

specifics of customer behaviors over time and in the appropriate context provides the baseline information midsize businesses need to adapt business decisions and operational behaviors and maximize results.

NO. 5: IMPROVING BUSINESS PROCESS

Using BI to monitor how business processes are working helps employees to identify and visualize problems and inefficiencies. The ability to measure performance against key business process objectives and metrics in near real time enables those processes to be fine-tuned and to quickly be adapted to changing business conditions. Refining and correcting individual tasks and end-to-end business processes can result in substantial financial benefits and process advantages for the organization.

As midsize businesses make the transition toward collaborative business, processes that were once linear will become more dynamic and extend to value chain stakeholders, including top suppliers and customers. Creating end-to-end processes and workflow that integrate these stakeholders will enable midsize businesses (and their business partners) to compete on the basis of time, costs, quality and customer satisfaction. This degree of information sharing – properly distributed and leveraged – can potentially lead to efficiencies in areas such as shorter production times, faster order fulfillment and reduced inventory.

NO. 6: IMPROVE SALES AND MARKETING

Sales and marketing analysis has also driven BI interest in midsize businesses. Tracking retail activity and other sales data has become critical, given the demand of many enterprises to improve product availability and inventory control. BI is also being used to spur business growth by analyzing new product and market opportunities.

Accurate and organized business data is also improving the ability of sales and marketing staffs that are geographically dispersed. Salespeople are using BI to better prioritize their qualified sales leads by historically analyzing the types of leads by various segments (for example, industry) that have resulted in sales in the past. Conversely, sales managers are using BI to better craft compensation incentives based on analyzing and identifying successful selling behaviors. From a marketing perspective, near-real-time sales data provided to retailers by manufacturers and distributors might help them with timely execution of promotions. Finally, the ability to analyze data using BI has helped many businesses better target media spending and marketing efforts in different geographies and outlets.

NO. 7: COST SAVINGS

Cost savings and efficiency is still a top priority for midsize businesses. BI solutions are providing companies with an in-depth understanding of their business processes, which has helped them identify and remove overhead costs and streamline internal operations. For example, some companies recognized the opportunity to cut costs by moving customers and transactions away from high-cost and labor-intensive channels to low-cost channels, such as the Web.

WHICH BI VENDORS APPEAL TO MIDSIZE BUSINESSES?

Customer inquiries from midsize businesses and recent primary research from Gartner's 2006 Midsize Enterprise Summits suggest that Business Objects, Cognos and Microsoft are the three top-of-mind providers that midsize businesses think of when considering BI solutions. Like larger companies, midsize businesses can select a BI platform vendor from one of three categories: powerhouse vendors, such as Microsoft, Oracle and SAP; traditional pure-play vendors, such as Business Objects and Cognos; and smaller, visionary vendors, such as QlikTech and Applix. Given Microsoft's history of entering established markets and selling comparable products at much-lower prices, we expect Microsoft's growing market presence to increase pricing pressure in the overall BI platform market and particularly in the midsize segment.

Gartner Dataquest Research Note G00146511, James A. Browning, Bill Gassman, Robert P. Anderson, 9 March 2007

CASE STUDY: MARK ANTHONY GROUP

"We rely heavily on Cognos 8 BI to get our information out to our sales team. We are able to push our reports out to them, rather than have them access the reports online. That's been a big benefit for us and reduces the amount of time that they are spending in front of a computer. With this real-time access, our sales team has a leg up on the competition, and they can use this tool to increase the size of their accounts and even close major deals."

— Michael Der, BI Systems Manager, Mark Anthony Group

MARK ANTHONY GROUP CUSTOMER SUCCESS

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

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 Cognos ReportNet to ease reporting, and then chose to migrate to Cognos 8 BI to enable its sales force to gain full, real-time access to the information in their customer database.

CHALLENGES FACED

Due to government regulations, the Canadian alcoholic beverage industry requires that distributors such as MAG purchase customer and competitor information from the government directly, in order to gain insight into the types of liquor that are successful in the market. With a sizable number of SKUs and products, mixed with 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 (BI) sales tools.

"Our biggest challenge was managing the immense amount of data we have and getting the right data over to our sales force," said Michael Der, BI Systems Manager, Mark Anthony Group. "We needed to distribute our information in a timely manner."

STRATEGIES FOLLOWED

MAG set out to find an integrated BI tool that would guarantee the data it had purchased from the government was available off-site, and ensure that its sales and marketing teams were receiving up-to-date and accurate information in the field. In early 2004, the company was looking for a Web-based reporting environment to eliminate running reports from a local client.

"In the beginning, we just wanted to use the information that we were buying from the government. We invested a lot into that data and it's one of our most valuable assets," recalls Der. "But a lot of the time we weren't using it to the fullest capability. We wanted to provide our users with the tools to get data they could turn into useful information to close large deals."

As part of evaluating technologies in 2004, MAG had two key requirements in mind for its ideal BI solution – a strong analysis capability, and scalability. MAG looked at Cognos, Crystal Reports, and Microsoft, ultimately deciding on Cognos ReportNet for its maturity in the market and its ability to allow users to manipulate the information to their advantage.

"We also liked the way Cognos products are supported by Cognos Consulting, Training, and Support," states Der. "We needed to make sure that there was a strong community of users out there so that if we needed support or access to a knowledge base, it would be available not just today, but in the future."

After its success with Cognos ReportNet, MAG decided to upgrade and standardize with Cognos 8 BI. In 2007, the company began a migration to Cognos 8 BI. After an 8-week process, the company seamlessly moved its reporting infrastructure into the new reporting environment.

"One of the reasons that we chose to migrate to Cognos 8 BI, was to take advantage of Cognos 8 Go! Mobile," states Der. "All of our US sales teams rely on their mobile devices and 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."

MAG decided to migrate simultaneously to Cognos 8 BI, and from SQL 2000 to SQL 2005. During the migration, Cognos Consulting assisted MAG in restructuring its data model. Users also participated in fast-track training, hosted by Cognos Training at the Cognos office in Vancouver, BC. In preparation for the migration, MAG had also purchased Cognos DecisionStream and acquired 60 days of Cognos consulting and support from Cognos partner, Yukon, to assist in the report migration. Currently, MAG has 50 power users trained on Cognos 8 BI and runs nearly 100 reports daily, depending on the business unit – manufacturing, distribution, and logistics of its Mike's Hard Lemonade products, or the agency import wine business. In addition to field sales support, MAG uses Cognos 8 BI in inventory planning to determine the amount of glass or paper they need to buy for the packaging of their products.

Now, MAG runs Cognos 8 BI on Windows 2003 and SQL 2005 servers. The company's ERP runs on MFG Pro ERP from a UNIX server. "I don't think we can ever say we are finished with BI because we are always looking at ways to use it differently," says Der. "We tell our users, if you can dream up a way to look at the numbers differently, then we can use it. We want to encourage users to raise questions. If it is quantity-based, we are confident we can get that information."

BENEFITS REALIZED

"We are pleased with the way Cognos is working for us," states Der. "Giving our users the ability to manipulate the information from our database has been an advantage for us. Especially with the amount of information that we produce, we are able to take advantage of that capability. Building analysis models from our own data wasn't enough, we needed to manage the competitive information and identify gaps in our business as well."

With Cognos 8 BI, MAG has been able to accelerate the delivery of business-critical information to its sales force, giving team members full insight into their customer accounts and also the ability to identify which accounts are potential customer wins.

CASE STUDY: CREATIVITY, INC.

"For us, the ROI gained from our Cognos BI solution stems from improving customer loyalty and keeping our largest customers such as Wal-Mart happy. We are one of the few companies that can actually supply Wal-Mart the way they want. Without Cognos, this would not be possible."

– Jim Mulholland, Vice President, Information Technology,
Creativity Inc. / Westrim Crafts

CREATIVITY, INC. CUSTOMER SUCCESS

Creativity, Inc. is a leading designer, marketer and distributor of basic crafting, beading, organization, paper crafting, and scrapbooking. Creativity sells its proprietary designs and brands, plus commodity products and its clients are primarily national craft chains and mass merchandisers, and to a lesser extent, independent craft retailers. Creativity incorporates several unique branded, wholesale distribution companies in the crafts sector including Autumn Leaves, Blue Moon Beads, Crop In Style, DMD, and Westrim Crafts. With nearly 500 employees, the company is one of the top five suppliers to the craft market.

Committed to providing superior customer service, quality and industry leadership, Creativity is focused on ensuring that its wholesalers are always stocked with the right product at the right time. To support this effort, Creativity decided to deploy a new CMS ERP system across its five divisions. Quickly realizing that the analysis capabilities in its ERP system were very limited, Creativity decided to deploy a BI solution so that employees could gain more visibility into its organization and make better decisions. The company selected Cognos BI to provide employees enterprise-wide with a real time solution that could coordinate across disparate data sources and locations to provide a single view and version of the truth.

CHALLENGES FACED

"We were generating reports from three separate ERP/Accounting packages," explains Jim Mulholland, Vice President, Information Technology, Creativity Inc. / Westrim Crafts. "As the reports were being produced out of operational systems, it was primarily canned and fixed to standard formats. We needed to remove the 'veil' on the data so we could get into the corners, arrange the data how we chose, and report only those metrics that really mattered."

A key metric that Creativity needed to manage closer was its customer fill rate, with most customers requiring 95 to 100 percent accuracy. "Meeting or exceeding our customer expectations in this area is critical to the company's ongoing success," states Mulholland. "Although we had some summary-level visibility in this area, we wanted to provide our Supply Chain team with daily and weekly details so that they could better manage this important customer metric."

STRATEGY FOLLOWED

Before deploying a BI solution, Creativity needed to put an information management structure in place. First it consolidated its five divisions into the CMS ERP. Next, Creativity standardized

the data in the system and cleansed it into a cohesive warehouse platform. Lastly, the company embarked on selecting a BI solution.

Creativity considered BI solutions from Cognos, Hyperion, and MicroStrategy. The company's key requirements were seamless integration with multiple data sources, minimal IT maintenance, and ease-of-use. Creativity used a proof-of-concept to help evaluate the companies.

"We wanted to test the companies with real life scenarios so we could easily judge them head-to-head," states Mulholland. "Cognos was by far the best in delivering on the proof-of-concept. The Cognos team really showed us that they understood what we wanted to do while making it work with our data."

Another important component of the decision-making process was the supporting products that the companies offered. More specifically, Creativity needed an ETL integration tool . "Cognos had the most comprehensive, end-to-end solution," notes Mulholland. "And Cognos Data Manager by far was the best tool of three. It was well developed, had a great interface and really solved the integration needs we had on the whole ETL side."

"We selected Cognos because it was the clear winner on both functionality and the whole sales process," comments Mulholland. To kick off its implementation, Creativity loaded its new data warehouse with the Cognos Data Manager. It then tapped the expertise of Cognos partner Acumetrics to help build a data warehouse, which was primarily being fed information from its ERP on its IBM iSeries server. Along the way, it also enlisted help from Cognos partner Merador on training.

Creativity has also had the opportunity to leverage the Cognos Support knowledge base and phone support. "Most of the time, we were able to search the knowledge base and find what we needed quickly and easily," says Mulholland. On the few occasions where we called in, we found the Cognos staff very pleasant and helpful."

To help enable employees take full advantage of their Cognos BI solution, Creativity also established a Business Intelligence Competency Center (BICC), known internally as its Analytical Center of Excellence (ACE). Considered a part of the eight person IT team, the BICC is tasked with maintaining the company's Cognos BI solution which is deployed throughout the five divisions. It is also responsible for the company's reporting, analysis and future BI requirements.

Pleased with the proven track record of its Cognos BI solution, Creativity has standardized on the solution. Most recently, it completed the migration to Cognos 8 BI, leveraging Cognos 8 BI Data Manager to help get the information converted into Cognos 8 BI. It also relied on Acumetrics to deploy the new software and build a portal with Cognos 8 BI called CRAFT.net, an acronym for Creativity Reporting Analysis and Forecasting Tool. "Accumetrics did a really good job," praises Mulholland. "We considered them an extension of our staff."

Moving forward, Creativity has many projects it plans to finalize by the end of 2007. Within the next six months, the company will begin developing dashboards using Cognos 8 BI and expects to deploy Cognos Planning, which is already being tested in-house. Creativity will also

integrate its international vendor data into its data warehouse to provide visibility into the entire supply chain cycle including its suppliers, warehouses and customers.

BENEFITS REALIZED

Leveraging Cognos BI, Creativity has increased its efficiency by standardizing its reporting. Equally important, users are able to easily and quickly access a complete, consistent and real-time view of its business through its Cognos 8 BI portal, CRAFT.net. As a result, information is more timely and consistent, which provides employees with the foundation needed to make better and more informed decisions that are more aligned with its corporate objectives.

"By using Cognos, we are beyond where most companies hope to get with data accuracy," states Mulholland. "Employees can now speak confidently about our data, and easily match up reports and metrics to know that they are speaking the same language."

Cognos has given Creativity a competitive advantage in the $10 billion crafts industry. Not only has it enabled the company to increase the accuracy of its customer fill rate; it has also allowed them to speak intelligently with customers and vendors about the conditions of the market.

"For us, the ROI gained from our Cognos BI solution stems from improving customer loyalty and keeping our largest customers such as Wal-Mart happy," stresses Mulholland. "We are one of the few companies that can actually supply Wal-Mart the way they want. Without Cognos, this would not be possible."

Tapping the analysis capabilities of Cognos BI, Creativity has been able to improve its forecasting. Now employees can identify trends in sales and proactively adjust the supply chain. This gives them agility to respond to opportunities in the market faster. "That is huge for us in terms of profitability and margins," notes Mulholland.

Another benefit the company has experienced has been a significant reduction in the time it takes to close its books. In the past, the process took approximately 21 days and was based solely on information from the company's ERP. Leveraging Cognos, this cycle has been shortened to 12 days. "The data is now available to the finance team quickly," comments Mulholland. "Cognos has been a tremendous asset in closing the books earlier."

User feedback on Cognos has been overwhelming positive. "There was certainly an information starved group here," emphasizes Mulholland. "Once we started feeding them the data, they just wanted more."

Further, the management team has echoed similar types of praise. Leveraging Cognos, Creativity now emails its management team key reports every day and at the end of the month. It also runs reports to send to its Board of Directors. "With Cognos, management is able to ensure that information is flowing properly and accurately, and really depicting the key business metrics," explains Mulholland. "The executive team and our Board love the Cognos reports!"

Mulholland sums up his Cognos experience, "I recommend Cognos all the time. The company has a well-thought out strategy and the solutions require minimal support from IT. It has been very positive experience."

CASE STUDY:
COMPASSION INTERNATIONAL

"It's extremely important for us to measure and evaluate the health of our new service-oriented architecture and the processes behind it. Cognos Now! has been very effective for us because it not only gave us a pulse on the general health of our system, it also delivered this insight at a fraction of the cost of other approaches to operational BI."

> - Mazen Haj-Hussein, Senior Project Manager with Compassion International

COMPASSION INTERNATIONAL CUSTOMER SUCCESS

With more than 800 employees, Compassion International is one of the world's largest Christian child-development organizations, working with more than 65 denominations and thousands of indigenous church partners in Africa, Asia, Central and South America, and the Caribbean. Since 1952, Compassion has touched the lives of over one million children and has been recognized for its financial integrity – with top ratings and recommendations by several of the nation's leading not-for-profit watchdog organizations.

Expecting to double its size within the next three years, Compassion decided to restructure its organization, including its IT infrastructure, so that it could accommodate its planned growth easily. In addition to fine-tuning many of its business processes, the non-profit organization moved from a legacy system to a service-oriented architecture (SOA) to help streamline its donations workflow system. At the same time, Compassion chose to deploy a new operational BI solution to deliver insight into the effectiveness and efficiency of this system.

Compassion selected Cognos Now! to enable its employees to track up-to-the-minute key performance indicators (KPIs) using intuitive operational dashboards. Cognos Now! enables Compassion's employees to spot emerging issues before they become critical, and make more informed and timely decisions that keep the process moving and donations flowing.

CHALLENGES FACED

Compassion has a donations workflow system that channels contributions through a series of steps, processing about 70 percent of all donations automatically. However, about 30 percent of donations end up on an exception path that needs manual intervention, delaying the processing of funds for days. With an expected 10,000 contributions streaming into the system every day through multiple channels, the non-profit organization knew that exceptions were to be expected, but it had no way to gain insight into how it was handling these exceptions.

In order to gain the timely awareness and actionable information to handle these exceptions, Compassion needed to consolidate its disparate data from multiple systems. "Our main challenge was that our data was all over the place," explains Mazen Haj-Hussein, Senior Project Manager with Compassion International. "We needed a centralized place where all the data was aggregated and employees could instantly gain insight into key metrics."

STRATEGIES FOLLOWED

Compassion was looking for an operational BI solution that was flexible and scalable, and could integrate data seamlessly from multiple sources into customizable dashboards. Since Compassion is a non-profit organization, the company is always looking for ways to optimize its resources, and needed a solution that would not over-burden its IT department or strain its operating budget. Lastly, Compassion was moving from a legacy system to a service-oriented architecture and required a solution that was SOA-compliant.

After a rigorous evaluation of several operational BI solutions and a successful proof-of-concept, Compassion selected Cognos Now! to deliver insight into key performance metrics. "Cognos Now! had all the functionality we were looking for," states Haj-Hussein. "Primarily, we were attracted by the solution's ability to consolidate data from multiple sources and its easily customizable dashboards."

In December 2006, Compassion deployed Cognos Now! on its new SOA and had it up and running in a couple of days. Currently the organization has deployed the solution to 15 users in its finance and commitments departments, each with its own dashboard and KPIs. Next, Compassion will extend Cognos Now! to its executives. "Our executives are very keen on using Cognos Now! to find out in real time how Compassion is doing overall and if there are any issues with processes," said Haj-Hussein.

The organization also plans to extend Cognos Now! throughout the organization eventually, building on the solution's flexible architecture and its ability to support an unlimited number of users without any additional costs. "With our forecasted growth, Cognos Now! was definitely a cost-effective and strategic decision," emphasizes Haj-Hussein.

BENEFITS REALIZED

With Cognos Now!, Compassion's key metrics are continuously updated from multiple data sources – including the organization's contributions database and its Business Process Management (BPM) system – providing personnel with immediate perception of processing performance and proactively alerting them to exceptions. Previously, the non-profit organization had added more staff and tools to manage handling the exceptions. "Instead of solving the problem, we added more complexity to the system that we had," explains Haj-Hussein. "With Cognos Now!, we have been able to streamline the entire process. This has helped us greatly."

With Cognos Now!, Compassion has also gained insight into where incidents are occurring, how quickly they are being handled, and where bottlenecks occur in the system. Further, by tapping the solution's analysis capabilities, Compassion can determine quickly if they need more or less staff or even additional training to handle requests. The increased insight into the system has dramatically reduced exceptions processing time and allows the organization to put donations to work faster in support of its anti-poverty mission. "Cognos Now! has been very valuable in reducing time spent on the human workflow," stresses Haj-Hussein.

From day one, Compassion users have embraced Cognos Now! because of its self-service capabilities and user friendliness. In addition, the solution's customizable dashboards, alerts, and intuitive drill-down menus have been an important incentive in accelerating user adoption. "Users love the flexibility of their Cognos Now! dashboards," states Haj-Hussein. "They see the information they want, in the way they want to see it."

Data integration was another key benefit for Compassion. Building on the solution's interoperability with other systems and support for an unlimited amount of data sources, the organization has been able to consolidate its disparate data. As a result, users now have a consistent and single version of the truth. "Compassion is based on integrity so it's crucial that all the data pooled and reported on is valid. And it's also critical for us to ensure that the information is not going to be lost in the system," stresses Haj-Hussein. "With Cognos Now!, we have peace of mind."

Using Cognos Now!, the organization has also been able to reduce its reliance on the IT department for its reporting requirements significantly while increasing employee productivity. "Previously, reports were generated from many sources and we had a lot of employees solely dedicated to developing reports," states Haj-Hussein. "With Cognos Now!, users have gained self-reliance. They no longer need to go through IT to request a report or change the way it will look."

"It's extremely important for us to measure and evaluate the health of our new service-oriented architecture and the processes behind it," affirms Haj-Hussein. "Cognos Now! has been very effective for us because it not only gave us a pulse on the general health of our system, but it also delivered this insight at a fraction of the cost of other approaches to operational BI."

ABOUT COGNOS

Cognos, the world leader in business intelligence and performance management solutions, provides world-class enterprise planning and BI software and services to help companies plan, understand and manage financial and operational performance.

Cognos brings together technology, analytical applications, best practices, and a broad network of partners to give customers a complete performance system. The Cognos performance system is an open and adaptive solution that leverages an organization's ERP, packaged applications, and database investments. It gives customers the ability to answer the questions-How are we doing? Why are we on or off track? What should we do about it?-and enables them to understand and monitor current performance while planning future business strategies.

Cognos serves more than 23,000 customers in more than 135 countries, and its top 100 enterprise customers consistently outperform market indexes. Cognos performance management solutions and services are also available from more than 3,000 worldwide partners and resellers. For more information, visit the Cognos Web site at http://www.cognos.com.