Optimize your Software with IBM Cognos 8 Business Intelligence

Integrate analytics to drive your clients' business

Contents

Abstract

The era of enterprise automation is mature. Now the real work – making sense of all that data and putting it to effective use that drives business performance – begins. Your clients are under more pressure than ever before to make better decisions and make them faster. In turn, you have an incredible opportunity to deliver solutions that help them accomplish just that.
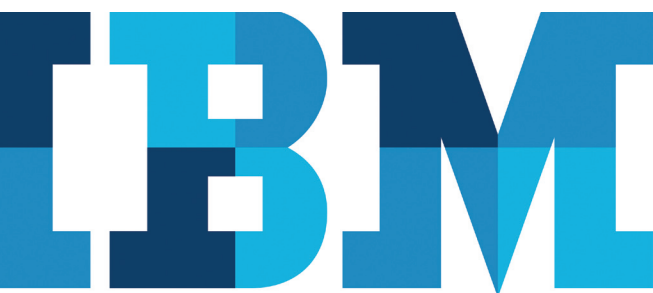
Both you and your client base already know that Business Intelligence (BI) and Performance Management (PM) tools and processes are the key to unlocking your clients' decision-making potential and optimizing business effectiveness. And increasingly, organizations need integrated analytics within business applications to raise the decision-making bar and drive competitive advantage. But given the underlying complexity of building integrated solutions from scratch, bringing packaged solutions to market quickly and cost effectively isn't always a linear or simple process. Fortunately, you're not alone.

IBM Cognos 8 BI software has emerged as an ideal platform for ISVs looking to build packaged BI and PM solutions for virtually any market sector. Instead of internally building out core BI and PM competencies, ISVs can, by partnering with IBM, take advantage of our IBM Cognos 8 BI software's market-leading analytical and reporting capabilities as well as our market-leading OEM go-to-market program. It's the technological and organizational head start you and your clients have been waiting for.

Overview
From automation to optimization

As the business automation market matures, ISVs are necessarily changing their focus toward business optimization as the source of future revenue growth. Mid-size businesses and enterprises are now sitting on large data repositories of data, and they need to leverage the intelligence locked up in that data for business gain. Because these companies – and the IT departments that support them increasingly find themselves resource constrained on a number of fronts, they're looking to their ISVs for help.

Unfortunately for them, IT budgets are under threat, so implementing Business Intelligence (BI) and Performance Management (PM) solutions from the ground up is often a challenging road. Not only can these projects be expensive and time consuming, but they can also introduce unacceptable levels of risk to the organization. As much as these clients want – and indeed need – to implement business optimization in order to remain competitive, they simply can't do it alone. ISVs have the domain knowledge and, by partnering with IBM, the ability to deliver business optimization solutions that drive their clients' businesses.

Although many ISVs are certainly able to build these solutions completely on their own, it may not always make sense for them to do so. By taking advantage of the advanced BI and PM capabilities already built into the IBM Cognos 8 BI platform, and by working closely with IBM to integrate these capabilities into packaged solutions for their given markets, ISVs position themselves for future growth. By expanding the user community to include executives, management and analysts, ISVs broaden demand for their offerings and further align their solutions directly to their clients' evolving business needs.

Why it matters

In today's economy, companies can't afford to lead by guessing. They lead by leaning heavily on the information at hand and using it to maximize the quality and timeliness of business activities. Decisions are only as effective as the volume, integration and consistency of the underlying information. If data is missing, fragmented or otherwise unreachable, your clients do what business people at all levels of all organizations have done for generations: Wing it. But the end result won't be precise. And chances are they'll have missed something along the way.

That's problematic on a number of levels, especially as internal and external business environments continue to intensify, and stakeholders – from line of business resources all the way to C-level executives – are increasingly challenged to make the call both better and faster. They need to optimize the way they plan and operate their business. And better information management, which drives better decision-making, is key.

They accomplish this with Business Intelligence and Performance Management tools that allow them to unleash the potential of their information to drive business agility and competitiveness. That's where you come in: the IBM Cognos 8 BI platform is ideal to build the solutions that help your clients succeed and for you to differentiate yourself from your competition. ISVs across all industries are already partnering with IBM to go to market sooner with solutions that help their customers do more with their data, to do it better and to do it more quickly. It's the ultimate symbiosis: Your competitive advantage in meeting their business optimization needs subsequently becomes their competitive advantage in meeting their own needs as well.

And that advantage couldn't come soon enough. The world is a smarter place than it's ever been before. Companies in all sectors are driving greater degrees of intelligence into every aspect of their business planning and operations. Guessing is out, and mining organizational data to drive the best possible decisions is in.

Unfortunately, most organizations find themselves needing to do more with less. Reduced headcounts place added pressure on those who remain behind to cover off similar amounts of work. Business automation helps. For example, sales force automation systems reduce the administrative overhead associated with managing day-to-day and longer term planning. This allows salespeople to spend more time selling and less time travelling back to the office and wrestling with paperwork. But with a huge baseline of information at their fingertips, many companies find themselves unable to pull out the insight they need to make better decisions.

How ISVs go about assembling those capabilities into a BI solution has also changed, because they, too, are affected by tightened resourcing. Whereas in the past they may have chosen to build adapted solutions in-house or integrate some open source code into a customized solution, they may lack the human capital or budget to build something on their own. Of course, they still need to go to market quickly, so seeking a ready-made platform such as IBM Cognos 8 BI gives them a significant head start in quickly developing to market needs, delivering leading solutions without outstripping their resource base in the process. Using the IBM platform as a jumping off point also streamlines future development efforts, which allows ISVs to stay closer to their customers and grow their revenue streams over the longer term.

Business problems

You are facing challenges as never before. Internal and external pressures are forcing you and other ISVs like you to re-evaluate your business models and reallocate both marketing and development resources in order to maintain growth. The challenges are multifaceted:

- **Growth in the application market is slowing.** The recession may be getting all the headlines, but the long-term trend was in place long before the economic downturn took hold. Clients in all sectors have been rationalizing and streamlining IT infrastructure for a number of years, a process which has reduced their application inventories and similarly reduced the need for regular implementations of tactical solutions.
- **The audience is expanding.** Executives increasingly demand solutions that give them a more transparent view of business operations. While your development and marketing teams may have focused more closely on your clients' line of business needs in the past, they are now also challenged to target senior leadership solutions. These new audiences come with their own set of unique needs.
- **Sales and marketing need greater differentiation.** It's no longer enough to sell within the sweet spot of the market. Customers in all sectors increasingly seek best of breed solutions, and are not content to choose between commonly featured solutions. The conversation is shifting away from price and toward fundamentally unique capabilities that will empower your customers' business capabilities. This places significant pressure on the development teams to creatively – and consistently – integrate new capabilities into your products.
- **Growth is a growing imperative.** Shrinking markets and consolidations within existing ones mean that new customers are harder than ever to find. This places added pressure on upselling your existing customer base and reinforces the need to continually add value through differentiated products.
- **Customer satisfaction is more critical than ever.** Value-seeking customers increasingly view long-term relationships as key to maximizing the return on their software investments. Now more than ever, substandard – or even simply adequate – customer satisfaction results are sufficient to prompt customers to look elsewhere when seeking new or replacement systems. As an ISV, the more closely you are connected to your customers' rapidly evolving needs, the more agile you can be in meeting them. Improving customer satisfaction is a critical component of business continuity for ISVs today.

> *"New leaders emerge who win not by surviving the storm, but by changing the game. Changing the game requires process transformation that infuses intelligence into our decision-making and management systems."*
>
> ~ Sam Palmisano, IBM CEO, Developing Smarter Software: Automating Information to Optimize Business

Every company in every sector is facing these challenges. The decision-making stakes have likely never been higher. Largely due to faster-paced markets and increased competition in all sectors, business critical decisions – ones that can literally make or break the future of the organization – are becoming increasingly central to day-to-day planning and operations. While this is a long-term trend, the global economic slowdown adds an additional and more immediate layer of urgency to the decision-making process. Because so much depends on the outcome of these decisions, companies can't afford to fall short.

Business drivers

Movement is crucial in today's business environment because the status quo is no longer sufficient. Companies that fail to advance the state of their business optimization art will be outcompeted by organizations that do. Rapidly changing organizational workflows are driving new methods of decision making – methods that increasingly leave yesterday's strategies in the dust. As they try to improve their decision-making capabilities, your customers are being stymied in two key areas:

1. Poor access to data

In many cases, your solution may already have some baseline reporting capabilities in place. Unfortunately, these solutions are often hardcoded into your solution and consequently can't be easily customized or adapted. Changes require custom service delivery or product enhancement. This is problematic at a business level because the reporting systems are decidedly static, yet the external environment – the one that drives business needs – is constantly evolving.

Your clients need the ability to customize their reporting and analytical solution to ongoing business needs and richly access and manipulate their data to better meet dynamic conditions in their market. By producing solutions that help them do that in a self-service manner, you empower them and, more importantly, stay one step ahead of less agile ISVs.

2. Poor distribution of data

While most businesses have spent varying degrees on software applications to automate specific functions and address focused business problems, they often fail to showcase the value of the resulting capabilities to senior leaders. This compromises operations because it tends to limit buy-in into future technology.

By allowing more stakeholders within the organization to efficiently access data regarding key business drivers, the value proposition of your solution is reinforced, and can be more effectively showcased. This, too, helps solidify initial buy-in to continued technology investment by those who have budgetary authority.

Over time, these two critical areas of underperformance can cumulatively impact your clients' organizational effectiveness through:

- **Constrained insight.** Business automation has created huge, often disconnected repositories of information, but organizations have little opportunity or ability to gain insight from that data.
- **Technology inefficiency.** Companies need to do more with less, and they're looking to their ISVs to provide more value in the untapped data and related processes to help them become more agile.
- **Technology devaluation.** As budgets get cut across all areas of the business, IT is under increasing pressure to market the value proposition of BI/PM investments. The value equation of the technology – and the resources that deliver it – must improve if IT is to have a compelling story to tell.

Left unchecked, the combination of evolving business environment and growing shortfalls of organizational performance and decision-making capability can undermine your customers' competitive position. As the economy struggles and resources are stretched increasingly thin, these issues become even more acute.

Solutions

ISVs provide more value to their customers by delivering solutions that help them optimize the value obtained from their information assets. Organizations with greater business optimization maturity are better equipped to drive improved decision making and bottom line performance than organizations with less evolved processes. Sub-optimal business processes often follow a one-size-fits-all methodology that fails to understand the specific needs of different roles within the organization and how to best deliver information to those roles. This can lead to inefficiencies.

To better understand the diverse needs of the end user community, ISVs must first understand precisely who those information users are and what their needs are. By combining an understanding of who uses information sourced from your application and in what context, you can help define a roadmap along this maturity model for your solution to provide more value to a larger community of users within your client base. This helps you position your solution for moving up the maturity scale.

"Optimized decisions are transparent and decision makers are accountable; the situation is accurately understood, changes in assumptions and course of action are rapid; decision makers have considered a diversity of opinions, and there's a way to capture and learn from best/worst decision practices."

Gartner, Inc. "Overcoming the Gap Between Intelligence and Decision Support," by Rita L. Sallam and Kurt Schlegel, April 9, 2009.

Although it is possible to segment the user population into many finely differentiated groups, for the purposes of assessing business optimization maturity, it is preferable to keep things simple. The following two groups, application users and strategy and analyst users, represent the broad-based profiles that ISVs must keep in mind:

Application Users

- These are the frequent users of a given business application, who use it as part of defined business processes.
- They leverage the information in the system to make decisions and to further a defined business process.
- The decisions to be made are usually of a low to medium complexity, and need to be made in a highly constrained timeline.
- Simplicity and speed are critically important because of each user's specific role within the organization and the accelerating velocity of business. If these attributes are not met, the information is in jeopardy of not being used.
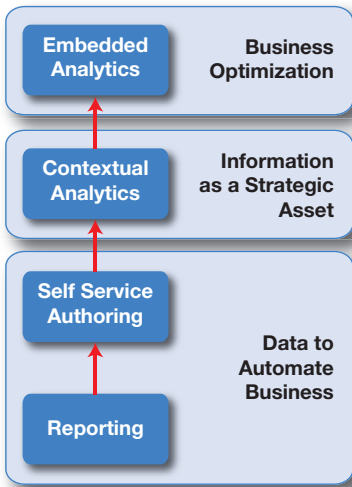
Strategy and Analyst Users

- Although these users routinely consume and manipulate data sourced from your application, they may or many not necessarily use your core application.
- They use this information within decision processes that may not be as strictly defined as many more transactional business processes.
- Their decision timelines are often more variable since they are more closely tied to strategic rather than simple tactical decisions.
- They tend to collaborate more, so their data must be easily shareable, and their access to it often extends outside of your applications' domain.
- Although speed is also important to these users, accuracy and completeness of the data is even more crucial.

With a fundamental understanding of role-specific needs in place, you're in a better position to assess how your solutions can help put better solutions into your clients' hands. Moving to an enhanced performance management or business optimization environment starts by understanding your organization's current level of maturity. The three-level continuum can help organizations better assess their current level of competency:
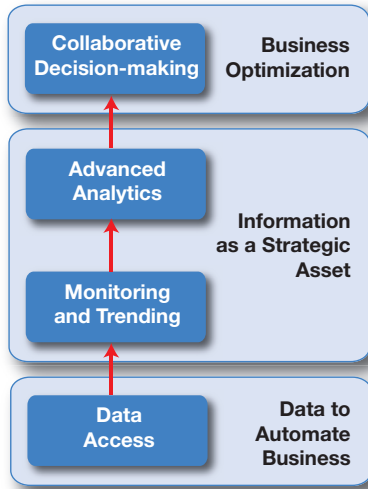
- **Automated.** At its most basic, organizations that have already invested in business automation are already benefitting from applications and processes that facilitate various business processes. Although automated systems create relatively large repositories of data, at this stage of maturity they are often not leveraging the data effectively to drive tactical and strategic decision making.
- **Strategic.** When information is viewed as a strategic asset, organizations move beyond simply accumulating it within business automation systems like ERP and CRM, and begin to leverage that information in value-added ways. Basic queries conducted by limited numbers of individuals or teams within the organization become more integrated with advanced analytics conducted by a broader subset of stakeholders. Greater decision-making power is available to resources who previously lacked such access, allowing them to improve role-specific performance and reduce overhead associated with placing and fulfilling requests for information and analysis.
- **Optimized.** Today's changing organizational structures and workflows, driven by an ever accelerating business environment – are rapidly breaking down traditional org charts and resulting in unprecedented levels of collaboration and automation of tactical decisions that align with strategic corporate direction.
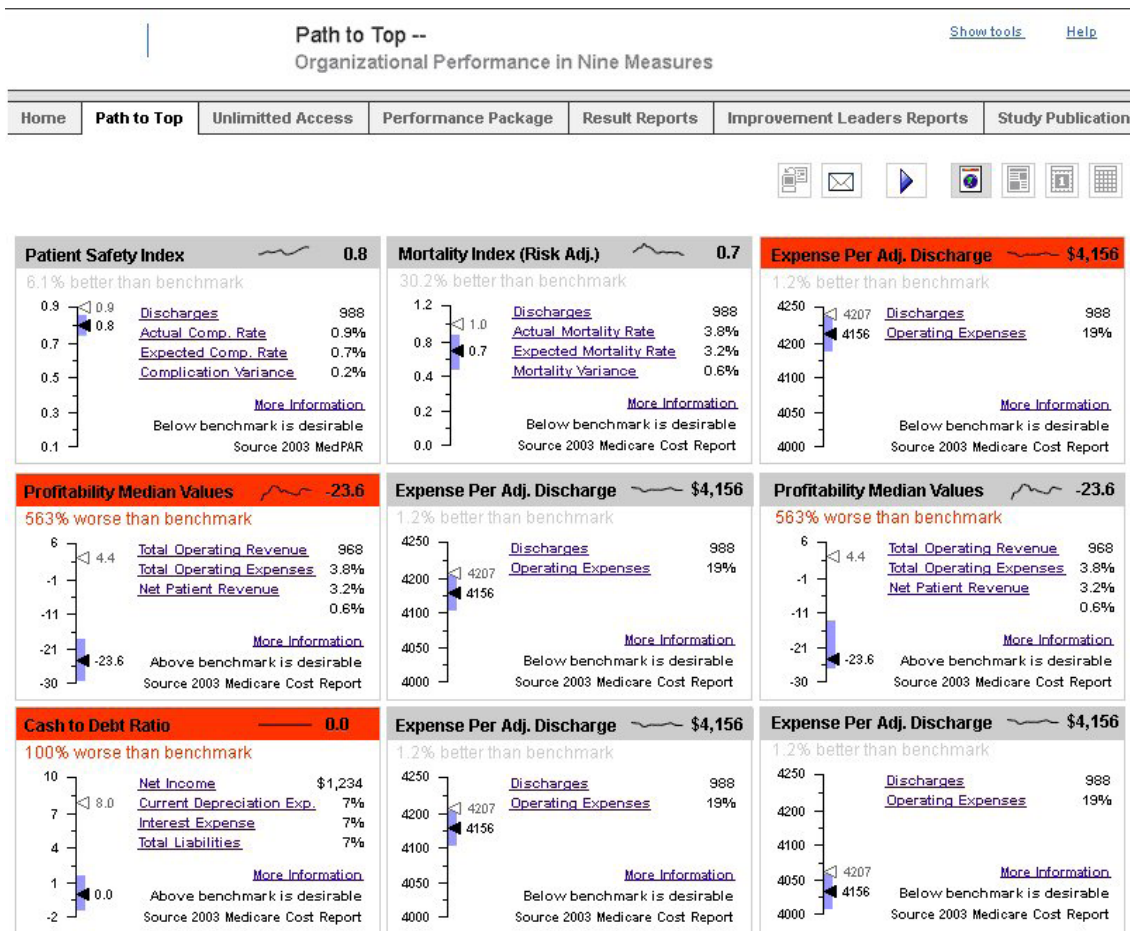
Application Users

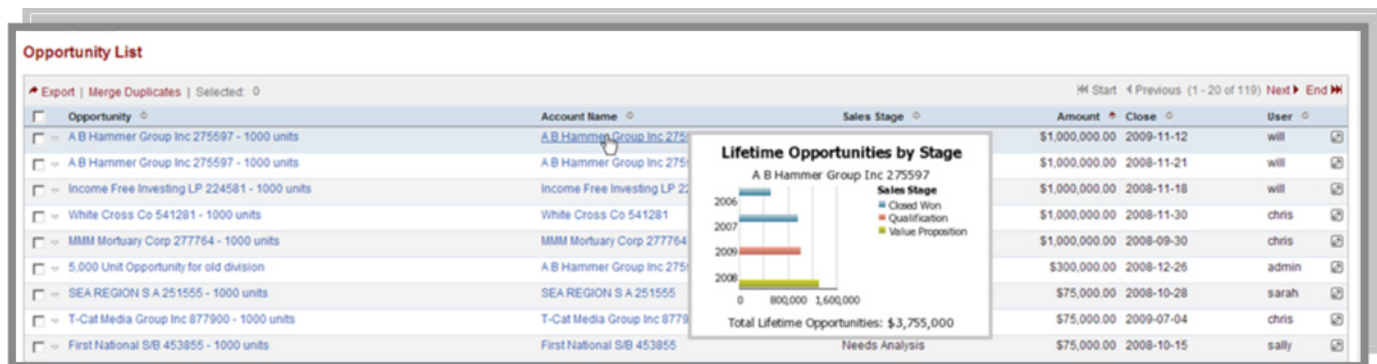| Level	Description	Value
Reporting	Provides end users a standardized base level of capability with some parameterization	• Provides standard reports for anticipated use cases • Custom requirements usually require custom services or enhancement requests
Self Service Authoring	Provides end users a simplified mechanism to independently ask questions in business terms without requiring IT involvement, vendor services or product enhancements	• Improved access to information to drive better decisions by LOB workers and improve overall customer satisfaction
Contextual Analytics	Analytics in-line with application workflow and process to provide real-time, prescriptive and ad hoc analytics to end users	• Informed decisions • Reduced guess work • More efficient process for end worker • Increased confidence by management
Embedded Analytics	This is the next step in delegating operational decisions that are structured, procedural, and routine to the underlying systems Application business process works in concert with the BI system to inquire against KPIs to determine business rules in order to adjust business process and streamline process	• Streamlines process • Removes bottlenecks • Reduces oversight requirements • Increases accuracy and consistency

Strategy and Analyst Users

Level	Description	Value
Data Access	Providing extracts of data for company to analyze in other systems	• Provides access to collected data • If the strategy stops here, organizations miss an opportunity to create value for this user community – often composed of sales cycle influencers or economic buyers
Monitoring and Trending	Providing dashboarding and scorecarding capability packaged with best practice KPIs	• Capabilities targeted at broadening the user community • Thought leadership opportunity for defining best practice KPIs • Demonstrable executive capabilities to elevate sales conversation
Advanced Analytics	What-if analysis, scenario modeling, and predictive analytics	• Capabilities that allow users helping set future corporate direction to analyze the effect of changes in strategy and predict implications
Collaborative Decision-making	Integrating Enterprise 2.0 capabilities – including collaboration, blogs and other social media – with BI	• Developing a collaborative environment for more complex decisions • Thought leadership on providing a collaborative work environment with Web 2.0 technologies

In many cases, Executives require Dashboards to show direct value Monitoring and Trending capabilities, shown in this example.

Using Contextual Analytics, anyone in the organization can improve his decision making.

IBM Cognos 8 BI provides a market leading platform on which to drive business optimization to greater levels of maturity. Unlike competing point solutions, IBM Cognos 8 BI is designed from the ground up to integrate cleanly with application workflow and business processes and maximize ROI at all stages of its evolution. Wherever your clients fall on the maturity continuum, IBM provides the framework to help you help them move the bar forward.

Our unique partnership models helps our ISV partners help their customers more immediately derive value from their investments in BI/PM. Revenue streams are expanded and extended thanks to improved customer loyalty. ISVs can then:

- **Gain an edge** through products, messages and branding that are strongly differentiated from the competition.
- **Elevate the conversation** by measuring KPIs against strategy to illustrate BI/PM value to senior leaders.
- **Increase the deal size**. Expanding the community of users to respond to broader needs can move you from application to module to suite sales.
- **Keep customers for life**. When data visibility and insight are a seamless part of the everyday workflow, customers are more satisfied and loyalty is deepened.

The IBM Cognos OEM program gets ISVs to market faster and helps them build greater value, all while working smarter in an increasingly resource constrained environment. Our program offers a flexible business relationship that adapts to the specific development needs of a given ISV. By strategically partnering with IBM, developers are able to drive revenue and bring valuable new intelligence to their customers.

Integrated

Integration is the name of the game, and IBM Cognos 8 BI establishes a leading edge baseline on which ISVs can build rich analytical applications right into front-line business applications. The IBM Cognos performance management platform provides the ideal environment for software as a service (SaaS) and independent software vendors (ISVs) alike to extend their solutions. Our platform provides all performance management components – reporting, analysis, dashboarding, scorecarding, planning and budgeting – on a single, zero-footprint architecture. Deployment and integration are simpler with a flexible foundation that is:

- **Complete.** All business intelligence and planning components on a single, robust foundation means you can start with one and turn on more capabilities as needed.
- **Open.** An open API means full access to all functionality, rapid changes and connectivity to a multitude of data sources.
- **Scalable.** Whether your application is an on-premise departmental application or the largest enterprise or SaaS solution, the platform easily scales to meet your needs.
- **Secure.** Our open security model lets you leverage your security infrastructure and address any multi–tenant model to ensure customers have safe access to their data.

Flexible

This flexibility helps ISVs build a competitively differentiated ability to deliver BI/PM solutions to increasingly challenged customers. It's a solution that extends beyond technology and encompasses a level of partnership that helps ISVs deliver more. The IBM Cognos OEM program supports ISVs through training, advisors, mentoring, proven practices, guides and other resources that optimize ISV investment, reduce risk, build value quickly and get to market faster. Our dedicated advisors with years of product management and development experience are focused on supporting you through every stage of your project:

- **Define and enable.** In the early project definition stage, benefit from a dedicated technical account manager (TAM), classroom and computer-based training, capacity planning, and consulting services. The ISV Development Guide helps you integrate performance management into your application.
- **Develop and deploy**. With a strategic project advisor (SPA) as your guide, make use of ISV integration tools, SaaS and IBM Cognos proven practices, technical forums, code-level support, and open branding and documentation to bring you from initial design through development and go-to-market planning.
- **Market and sell.** The IBM Cognos OEM program and the resources of IBM PartnerWorld maximize your sales and marketing efforts by helping your teams develop demonstrations and messaging, by coaching sales and pre-sales team in workshops, by assisting at kickoff and launch events, and by engaging with your marketing team to drive lead generation activities.

Conclusions

It's a fast-changing business world that demands new ways of delivering integrated analytics to market. As an ISV, your increasingly data rich applications are helping your customers meet this analytical need. As the BI/PM Market continues to strengthen and grow, your customers are seeking out new ways to take advantage of their data and gain insight. They're deploying these solutions more broadly, and customizing them on a role-by-role basis. They expect their BI/PM tools to integrate into line of business applications and adapt flexibly based on who's using them and what they're trying to accomplish.

From their perspective, vendor choice has never been more important. They will either choose vendors that provide out of the box capability, or seek out third parties or internal resources that address that need.

At the same time, reduced staffing at recession-hit companies is spawning new ways of collaborating and radically evolving workflows. Traditional obstacles to data access are – or should be – evaporating as BI/PM competencies continue to improve and become part of an increasingly mature information management culture. To better meet these expanding requirements, ISVs must expand their reach to new user communities to get closer to their customers and drive customer satisfaction to levels at which they will sustain and grow the business.

You don't simply want to develop integrated solutions that meet this need. You need to go to market with solutions that flexibly meet the unique analytical requirements of your customers. You need to do so using a development methodology that holds the line on project scale and timeline, allowing you to lead your market, and your customers to lead theirs. By partnering with IBM and leveraging the uniquely integrated capabilities of our BI/PM platform, you build that competitive advantage into your development process.

About IBM Cognos BI and Performance Management:

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

For more information

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

Request a call

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

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