

BI Radio

Episode 13: Deep Into Data

(00:00)

Station ID: This is BI Radio.

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Montage:

- What's your most pressing problem.
- Customers were really asking us for more complete story.
- A lot of them have particular performance targets results are trying to achieve.
- How do I generate more income for the business.
- They needed to be able to now take that information to the next level.
- Plan for the future more effectively.
- We would like to think about it as performance management with information you can trust.
- It's getting a little better in some organizations.

(00:36)

Ken Seeley: Hi there. And welcome to BI Radio. I'm Ken Seeley. For the show today, we go deep into data. Delaney Turner is back from Cognos Forum with three stories about the new ways the Company has manage, configure and act on the data. Andrew Manby of IBM explains the dimensions, measures and business benefits at the heart of IBM industry models. Michael Curry deals into data transformation cleansing and quality with IBM information server. But first up operational performance management. Mark Smith of Ventana Research outlines at approach to aligned systems, data and processes and the strategies companies follow to put data at the heart of their business.

(01:23)

Delaney Turner: Hi, I am Delaney Turner and today I am talking to Mark Smith. He is the CEO and EVP of Research at Ventana Research. And today we are talking about operational performance management. Mark, welcome to the show.

Mark Smith: Thank you so much. Great to be here.

Delaney Turner: Thank you. Your latest research is on a concept you call Operational Performance Management. Could you define it briefly for our listeners and then explain how BI, Business Intelligence, fits into it?

Mark Smith: Yeah you bet. Operational Performance Management is something that actually that we started on about six years ago, believe it or not. I mean the notion of taking performance management into operational management roles and responsibilities in organizations is pretty, you know, straight forward for organizations conceptually, but practically what do they do to actually put together the right kinds of systems to support the people and processes. So what it mean by that is, if we look inside of operations of a manufacturer or services company, got roles like; marketing, sales, customer service, field service, lots of different functions that work as departments. A lot of them have particular performance targets, results are trying to achieve. And when we look at operational performance management, it's about helping those departments in how the departments work together to achieve particular goals and objectives. So frankly operational performance management is about taking the notion of how do we align, optimize, understand performance in a very simple and straight forward manner on the works the way people work, not the way the technology works.

Delaney Turner: Right. Obviously that's putting data at the heart of the strategy and decision making and it raises the question of data governance, data stewardship to make sure everyone is on the same page and making the right decisions with the right information. What strategies do you see companies taking to manage their data so that they all work together productively?

Mark Smith: Yeah, it's very good point that the challenge today is most that organizations, if we look at the data inside of the operational management functions, it's scattered all over the place. And in fact our research finds that the top data sources for operational functions are things like spreadsheets, reports, email, power points on things that don't have enterprise platform and there's lack of consistency so...

Delaney Turner: Everything but BI.

Mark Smith: Everything but BI, and data is everywhere but it's not consistently in the right form in the right context. So data strategy is very important. And we talk about; you can get great operational performance management without having a good solid information management foundation. Information management at the data context is; well, how do we define and use measures, metrics, and KPIs consistently? How do we make sure we define the customers and levels of customers properly, products and services? So the data issue is a big one and many organizations need to balance their efforts on because Business Intelligence should provide the context for operational performance management. But it should provide a framework for governing and understanding the data assets efficiently.

Delaney Turner: You provided some detail criteria that companies can use to evaluate different vendors of the platforms. Could you walk us through some of the top – or maybe the top three criteria that company should look at?

Mark Smith: Yeah, it's a really good point. When we engage with organizations we find that a lot of companies are still in feature-function comparison. Let's put together a list of the, you know, the 500 features and functions that organization might use over the next three years. Unfortunately our strategy is flawed. Putting functionality in each, we put into the context of the business users. So what does senior Vice President's need is different than the business analyst who actually analyze the data compared to operational line managers. So what we have done is taken our performance management framework on these three steps; align, optimize, understand and have defined the sets of user functionality, that's an important for managing performance, and make sure that the priority is set by user types. So that when you go in there, you don't say well I am developing one applications to meet everybody's needs, it's not possible. So our Ventana Research scorecard provides an evaluation criteria to have a performance management context, at the same time provide a set of steps to make sure that the gaps between what the different levels of business users need is well addressed by the IT functions. By bridging that business and IT divide, then companies can actually reduce the risk of not having failed BI projects which unfortunately there is not much talk about failed BI projects, but they are more stunted, the value is not found in a very short period time cycle, right?

Delaney Turner: The IT business partnership...

Mark Smith: Yes.

Delaney Turner: We have been reading about it increasingly, especially over the last year, is that BI success, performance management success, as these two sides got to work together...

Mark Smith: Correct.

Delaney Turner: From what you are seeing out there, are the two sides getting any closer, are there any specific examples you can think of where they shake hands and everyone is happy?

Mark Smith: Yes, in many cases IT has centralized a lot responsibility for Business Intelligence technologies, but hasn't as part of centralization done a great job of defining the user-functional and information requirements.

Delaney Turner: Right.

Mark Smith: And so a part of bridge in this divide is making sure the IT understands the daily pressures that business faces. And in the forward-looking innovative companies, we have found that IT now is helping recommend how to get a better centralized strategy that encompasses the issues, but governs them so that the data is used in a consistent manner, it's secured. So it's getting a little better in some organizations, but there's a lot of organizations that are actually, you know, probably further divorced from the business counterparts or business is kind of given up and start to do other things which is create new silos and stereotype (phon) and, you know, business have done them before in the 90s. Right?

Delaney Turner: Right.

Mark Smith: Right. I mean, Business Intelligence started in the business side with Business Analyst and in line of business professionals and is just that, then what happened was that every department gathered and told and then we had kind of tool chaos.

Delaney Turner: Right, right.

Mark Smith: This is a way a data chaos.

Delaney Turner: The last question I want to talk about other challenge for IT is that, IT has the dual responsibility of trying to drive results for the business and optimizing decision making, then they have their day-to-day keeping the lights on maintaining the systems. Now there are very few Greenfield performance management projects that are always being initiated in the context of all of the other stuff that's going on. How does IT balance all those different responsibilities and what kind of expectations do these set?

Mark Smith: Question is, what is really the responsibility of an IT organization? Should they be a service bureau to help provide enabling capabilities or should they really be responsible for designing, you know, applications for performance management processes? And, you know, and it really comes down the competency and the skill sets. You know, some organizations, you know, IT is under significant pressure to keep the lights on, and their team is focused on BI and enabling performance management are quite small. So how companies need to look at this which is, we do need to have a performance management set of teams and build competencies in performance management which are about decision making process and they are actually different than having competencies about Business Intelligence technologies, because technology is enabler. But what are those decision making process, how do we share and collaborate across the organization? These things do need business leadership and they have to be actively involved. Otherwise you get IT creating something, but they don't fill that role, they are not under daily pressure of all the rescue (phon) things and so you can't expect them to figure out, you know, all the issues what some may need to support performance management.

Delaney Turner: Well, IT, IT responsibilities business, IT friction perhaps, and operational performance management, a tough role for the CIO in IT, but what we pursuing. Mark Smith, thank you very much.

Mark Smith: You are welcome. Thanks so much.

Delaney Turner: Thanks.

(10:03)

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(10:33)

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(10:43)

Delaney Turner: Hi, I am Delaney Turner of Cognos. And today I am talking to Michael Curry. Michael is Director of Product Marketing for IBM InfoSphere. Michael, thanks for talking us today.

Michael Curry: Honor (phon) to be here.

Delaney Turner: IT teams are dealing with more data than they can handle these days and in more formats the never before. How does IBM Information Server handle all of these different sources?

Michael Curry: Well, that's exactly what IBM Information Server is focused on doing is to help companies to make sense of all that data, hold it together in a way that makes it more useful to their applications and typically those applications range from everything from data warehouses all the way out through Cognos implementations of data marts and performance management applications. But getting the data out of those systems, those parent disparate systems and into a format where it's useful and along the way ensuring a high degree of data quality is really where Information Server fits in the whole portfolio.

Delaney Turner: Could you walk us through some of the core components of IBM Information Server and what they actually do, their functions?

Michael Curry: The Information Server is actually a unified platform that has several different, what we call modules or pieces that are options within the overall framework. And the way it works is each one of these options work together very seamlessly because they have a shared underlined set of services that include shared metadata and shared processing and things like that. But on top of that shared infrastructure sit really four basic functions; the first is to be able to understand what's in your existing data environment. So the capabilities to go out and profile your existing systems and understand the content and the structure and the quality of any those systems and get an understanding of how you might pull together in more unified view of your information. Once you have done that process, you typically find problems in those sources, redundancies in the data and lack of standardization and so forth. And so for that we have cleansing function which will de-duplicate and match together records that are the same, create cross reference across systems and ultimately create a single view of the truth, those can be standardized and cleansed within the environment. Once we have done that, we then transform the data from its source system centric format into a more suitable format for whatever you are trying to accomplish. So in the case of loading a data warehouse for example, you might dimensionalize the data and put it into the right format. If you are implementing in SAP application, you might have to, you know, get things into the right format, to be able to – be used with an SAP. So that transformation function is key. And ultimately we deliver data wherever it needs to go. So we can deliver data in a lot of different ways. We can do it on a demand-driven basis, on Change Data Capture driven basis, through service oriented architecture in both movement from one location to another through batch cycles and so forth. We can also provide stand in place, federated access to data. So you can keep the data where it exists today and as you need it you can do a query that pulls that data together.

Delaney Turner: Now, few performance management initiatives begin as Greenfield projects. There are – companies usually undertake them in the context of overlapping IT initiatives. So how would IBM Information Server accommodate this reality and still be able to deliver new results to the company?

Michael Curry: Yeah, I mean, I think that statement is probably true for not just performance management, but just got anything...

Delaney Turner: Right, right.

Michael Curry: We are always introducing new technology and new applications into a fairly complex environment of existing legacy stuff and we always have to deal with that. So, I mean, one of the things that really helps when you are using Information Server is to be able to use that baseline of understanding I was talking about before, because that tells you how this fits into what you are doing, allows you to leverage as much as possible what you have and figure out what's best suited to help you carry forward. So that is certainly a big step in that direction. And then the Information Server is really built for dealing with those types of environment. So reusing as much of the existing code base as you have, you know,

obviously keeping existing applications in place and using their APIs where possible and so forth. So it's really designed to deal with those exact requirements. Everything we do is in that scenario.

Delaney Turner: Let's look at the other end of the spectrum now, the business user of a performance management solution or the frontline manager. What would be the impact on his/her decision making ability? Should the company deploy a solution like IBM Information Server?

Michael Curry: IBM Information Server, a lot of times you think of it as being infrastructure, it's being sort of middleware behind the scenes. And to a large extent some of the stuff that it does, a lot of the stuff it does is transparent to business, you don't see it. It's getting the data to you and just so happens that the data is there that you need, you don't really know how you got it. I think where it becomes important though is when you start to deal with the problems in the data, where business starts to look at the data and might find something wrong. That's where Information Server can help to provide some additional value, because first of all it can tell you exactly how the data was derived. So from a – say a Cognos user and I am looking at a report and I notice a piece of data in that report that doesn't quite work right to me, I have the ability to actually drill through and see it was derived, what systems it came from, and exactly what calculations were applied to it to come up with this thing that's sitting in my report. And that inspires a higher degree of confidence in the business because now they have the ability to understand how we got to this answer. And so just rejected the report wholesale of they think data looks wrong, they can at least figure out; okay, what's going on here. On top of that just being able to kind of – on an ongoing basis measure and maintain a metric of data quality, they would approve a high degree data quality and apply data quality processes on an ongoing basis, improve that all through the governance dashboards and so forth, that's also a strong value point to the business. So those types of things make a big difference, I think, to the business side even though a lot of stuff is actually happen in the infrastructure.

Delaney Turner: How does the IBM Information Server and the Cognos Solution support the IBM Information On Demand strategy and vision?

Michael Curry: Our customers were really asking us for more complete story, they wanted the end-to-end solution. They not only needed to have good information, but they needed to be able to now take that information to the next level, use it to optimize their business, use it to streamline how they do things, and plan for the future more effectively. And so that's really where, you know, the Cognos technology comes into play. So, we have seen this strong synergy happening between our technologies and so we have a very strong roadmap to tie those things together. We have been working together in reality in marketplace for many years, had partnership that's gone back for many many years. So a lot of these integration points are already in place. Now we have the advantage of having joint development teams working on things together and sharing things a little bit more than partners do, and that changes things a bit, and it gives us some advantages in being able to deliver some innovation faster to the market. And so some of the things we are working on is embedding some of that metadata visibility, the lineage of data, the data quality analysis that kind of stuff directly into the Cognos tooling. Providing a stronger degree of integration between the Cognos integration tools likes Data Manager and Information Server to make that a very seamless co-use opportunity. So those types of things are all in our roadmap. Today, we have a lot of those things deliverable as, you know, we have been in the marketplace for sometime. But now we are really focusing on how we carry this forward. So, I think the joint value proposition is a very unique proposition, because anybody else in the marketplace they have the ability to deliver end-to-end what we have. And that makes a big difference to customers, because they are looking for a way to the complete answer and how these things be tied together and not be in the business of integrating technologies together, but in fact being a business of building out their business performance objectives.

Delaney Turner: Well, complete answer, single view the truth in IBM Information Server, Michael Curry, thank you for talking to us today.

Michael Curry: Well, thank you for happening.

Delaney Turner: Thank you.

(19:12)

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Delaney Turner: Hi, I am Delaney Turner and today I am talking to Andrew Manby. Andrew is the Program Director for the Cognos Partnership at IBM and Industry Models. Andrew welcome to the show.

Andrew Manby: Thank you very much for having me on.

Delaney Turner: Could you briefly explain an IBM Industry Model? What are the core components and what industries does IBM serve with these models?

Andrew Manby: When we put together these models, we sort of see a couple of important elements. Firstly, is that ability to provide a comments at the business terms, the second part of it is to provide some specific solution templates as we call them which are really a set of dimensions and measures that could be implemented as a set of marts or a set of OLAP cubes. So those are the pieces that sort of readily touch any Cognos implementation. And then what we also provide in the models is the piece behind that, that's really the IT model view of the world, that sort of represents all of the key attributes and entities across all of your business. And typically what happens is that's when we use the information integration capabilities of InfoSphere and particularly Information Server to serve up all the information, cleanse it and put it into the model. So today we have models for companies who are trying in the retail space, CPG, distribution, banking, insurance, Telco, and also a US based healthcare payers as well.

Delaney Turner: Could you explain what the role of the Cognos solutions and technologies within these industry models?

Andrew Manby: Yeah, absolutely. So in a whole set of performance management fabric if you like, where, you know, someone is sitting there, getting the benefit of the dashboard or the scorecard or maybe some real-time reporting. What the roles the models play is really sort of become that sort of integration point. So what that role is, is it gives a definition for all of that information to come from your production applications maybe from your branch systems, maybe from your CRM systems, maybe from the manufacturing systems, and allow the integration in infrastructure to be able to put that information all in the right places so when I do reporting, I am reporting on a single view of the information albeit all of the different facets that represent all the key performance indicators a new business.

Delaney Turner: Now we have seen the best performance management deployments are those that that bring IT users and business users together to cooperate...

Andrew Manby: Right.

Delaney Turner: How do IBM Industry Models achieve that dynamic?

Andrew Manby: Yeah, this is quite interesting. One of the things we sort of find is that, you know, most people's reaction to the word models normally as well – okay, we have some models around our enterprise.

Delaney Turner: Right.

Andrew Manby: And you know and your listeners know that we never move into a Greenfield site...

Delaney Turner: Right, right.

Andrew Manby: Right. So our models will be really sort of try and focus on is really getting to business, that's really the same approach that Cognos is going after, it's really sort of addressing the business needs of the users. And how we sort of quantify that is by putting something in front of them the Chief Marketing Officer, the Chief Risk Officer, the Chief Financial Officer, the VP of Customer Services, maybe the Chief Medical Officer would understand. So we engage in a conversation with them and we show them aspects of the key performance indicators with the models and say, right.

Delaney Turner: Okay.

Andrew Manby: What's your most pressing problem.

Delaney Turner: Right.

Andrew Manby: And then we take them down a series of – okay, well; is profitability your challenge, is it asset liability management, is it customer churn.

Delaney Turner: These are all key business terms that a business user would understand.

Andrew Manby: Yeah, exactly. It almost becomes – it's quite enticing to sort of think about the concept is that you are allowing business to scope the solution and then, because the way the models are structured, those set of business requirements turn into a set of definitions with the IT infrastructure. So it becomes very easy. Okay, so IT say; alright, I now have business signing off from the requirements and now I have some assets to go and implement.

Delaney Turner: Right. Could you walk me through anymore detail with example how an IBM Industry Model is deployed?

Andrew Manby: It sort of starts at the beginning, you know, it starts at the point where, you know, there is a business paying. I mean typically the models are there to solve a challenge, maybe the challenge is regulatory reporting, you know. So it could be something that could be related to compliance, challenge to having a financial reporting challenge, maybe it's more on how do I generate more income for the business.

Delaney Turner: Right.

Andrew Manby: It's more of a CRM, how do I penetrate my existing customer base. And that sort of leads to a set of question thereabout, you know, do I have data latency challenges, am I not getting the information I need on time, do I have data quality challenge, and so is the information not a consistent and accurate form.

Delaney Turner: Right.

Andrew Manby: And then, you know, am I getting consolidated view, that single view of the information across their systems. So first of all we pick the requirements, and if the use of scope the Chief Marketing Officer is very interested in CRM...

Delaney Turner: Right.

Andrew Manby: Because maybe they are launching a new product. So we pick that area. What we would do then is then we would work with business analyst team and we would go out and look for the inventory of data that actually meets that requirement. So first of all, once you got these requirements, you want to make sure that the business can actually support the aspirations of that particular individuals to perform that requirements...

Delaney Turner: Right.

Andrew Manby: So once we have done that we can then implement the data warehouse's use of marts and use then use the information infrastructure to cleanse the information, to combine it, to take all those different velocities of information, maybe from the SAP, your Siebel, your Oracle application.

Delaney Turner: Right.

Andrew Manby: And load it into the warehouse and then populate a series of marts from that. Once we have actually put over that in place with the client, you know, the Cognos Business Intelligence and performance management and also some of the financial planning solutions can then come into place and then C (phon) of that data directly. And then to insure that we have, you know, a continuous loop if you like, if the Chief Marketing Officer suddenly says well; well where did this information come from?

Delaney Turner: Right.

Andrew Manby: You know, give me some confidence that this figure is correct. And then we have the ability to use the infrastructure to then drill down and then see where the models have been used, and give you confidence; well, yeah, this information was prepared on this date, we know that it's of the right access (phon).

Delaney Turner: It sounds like an end-to-end bullet (phon) proof solution.

Andrew Manby: Yes, it is. Yeah.

Delaney Turner: Yeah.

Andrew Manby: Yeah, we would like to think about sort of performance management with information you can trust.

Delaney Turner: Information On Demand is also a core part of the IBM strategy and vision. How would an IBM Industry Model fit or support this vision?

Andrew Manby: So the Information On Demand vision is really about enabling organizations to optimize what they do...

Delaney Turner: Right.

Andrew Manby: Right, to get better insight, maybe some of the challenge I mentioned, in terms of penetrating the customers – overcoming customer churn those types of things. So it's really that solution which I mentioned, I mean it's really it's like two sides of the same coin.

Delaney Turner: Right.

Andrew Manby: You know, one is providing that trusted information, the other one is really providing performance management infrastructure. And the role of the models I think is really is an accelerator, right, because it's almost like you are providing the language, the protocol.

Delaney Turner: Okay.

Andrew Manby: Right, you are providing the industry flavor...

Delaney Turner: Right.

Andrew Manby: Specifically for that. Now when I say just a flavor, I mean there are some core elements which are common...

Delaney Turner: Correct.

Andrew Manby: Like finance, maybe marketing. But there are things, you know, may be in insurance with things related to intermediary performance...

Delaney Turner: Right.

Andrew Manby: Which is specific to an industry. So the models play that pivotal role and also working with the Cognos blueprints which have already been established out there...

Delaney Turner: Correct.

Andrew Manby: To provide some more industry content which allows our partners -- Cognos partners, the InfoSphere partners as well to accelerate the solutions to the value to the customer.

Delaney Turner: Well, there's a lot to learn about this. Where would they go to learn more?

Andrew Manby: Yes, it's very simple, just go to ibm.com, go to search box, type in InfoSphere. When you get there, you will see a whole lot of information, everything from information integration, master data management, and the IBM Industry Models.

Delaney Turner: Andrew Manby -- industry, IBM Industry Models, thank you for talking with us today.

Andrew Manby: Thank you very much.

(28:14)

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(28:44)

Ken Seeley: Well that's to wrap. I'd like to thank our guests today from Ventana Research, Mark Smith and from IBM Michael Curry and Andrew Manby. Thanks to our producer and audio engineer Derek Schraner (phon) who composed all the original music you hear on BI Radio, and for making it sound so good. A remainder to check us out online at radiocognos.com where you can listen to previous shows, download individual segments, and view the transcript of each broadcast. Thanks for listening. I'm Ken Seeley. We'll see you in about six weeks.

(29:26)

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