BI Briefs: Six Business Intelligence Trends for 2005

by Rick Sherman

What does 2005 have in store for IT managers? In this column we discuss business intelligence trends for customers. In a future issue we will talk about trends for vendors.

1. Expansion of business intelligence (BI) deployments is the focus of many joint IT-businesses initiatives as they try to tap the vast volumes of data they have accumulated in their ERP systems and data warehouses over the last decade.

The first generation of BI deployments focused on business "power users." This BI generation is trying to meet businesses' need to disseminate information to all types of business users in their enterprise. Expanding the web of business people who can access and analyze this data helps them improve and even grow their business.

2. BI standardization and single vendor sourcing for all BI capabilities is being driven by IT groups. This is happening for several reasons.

First, a significant factor for standardization is to reduce costs. This is accomplished through better software licensing deals, potential hardware consolidation, reducing development and maintenance costs, and only having your IT staff have expertise and maintain that skill for one BI vendor's tools.

Second, standardization enables IT to become more responsive to business needs by focusing on a standard set of BI tools rather than developing and deploying with overlapping, redundant tools. This result is from shifting time from being tools focused to working more closely with the business.

Finally, BI vendors are expanding their product lines to include the various categories of BI tools, such as reporting, ad hoc query and OLAP. They are also integrating various services, such as security and common interfaces, across their product line. By standardizing on a single BI vendor, IT can leverage both the product line capability expansion and the integrated services being offered.

3. Dashboards will continue to provide buzz within corporations. Business users will get excited about being able to actually see data graphically and then drill down into the details (exception reporting from a graph!). IT will use dashboards to justify BI projects, particularly when past BI efforts stalled out after only attracting power users.

Remember when dashboards used to be called executive information systems (EIS)? Now that every BI tool vendor offers them, they're more available and relatively easy to deploy. It is terrific to be able to deploy dashboards to effectively present information to business users, enabling them to monitor their corporation's performance. It is also an excellent vehicle for IT to understand what data the business needs to better monitor the business.

4. Reporting continues driving BI initiatives from a business perspective.
Sure, dashboards are sexy, but reporting is what the business cannot live without.

After purchasing thousands of licenses for sophisticated analytical capabilities with slice-and-dice, drill-down-across-over-and-out functionality, business users still just want their daily or weekly reports to know how the business is doing. It is not their job to play with BI tools. They need to focus on running the business.

It was only the power users that ever wanted to play with BI tools. Reports are not just static PDFs, but support parameter-driven inquiry with drill down to examine the interesting details. Ultimately, reports and spreadsheets are the mainstay of how business users are going to monitor their business. The big three in reporting (Business Objects, Cognos and Hyperion) have all recognized this and either built or acquired reporting capabilities for their product suites.

5. Corporate performance measurement (CPM) systems will continue to be at the top of the marketing slides for every ERP, enterprise application and BI vendor as well as major consulting firms. Many pilots and initial rollouts will be involved.

CPM systems offer business solutions oriented to specific business functions (finance or marketing, for example) or to specific business applications such as fraud detection in insurance claims. The CPM offerings bundled with prebuilt analytics, reports, data models and the ETL populate the data from various source systems. This bundle is very appealing, especially to businesses that feel they have not really exploited their corporate data into useful business information.

A few areas to watch this year:

- First, will IT push back on the CPM solutions because they bundle tools, both BI and ETL, that may not be the tools they have standardized on?
- Second, will the CPM databases be seen as new data silos in the enterprise?
- Finally, will the vendors offering CPM solutions have the bandwidth and depth in their professional services organizations to deploy these solutions?

6. Mid-tier and smaller firms will start deploying data warehousing and business intelligence solutions. Thanks to better BI tools, more experienced people and lower deployment costs, firms outside the Fortune 500 can start taking advantage of data warehousing and business intelligence.

Large firms can afford to experiment and learn along the way with new technologies and techniques as they did with DW and BI projects. Smaller firms generally wait until experience grows and costs decrease before they start to widely deploy new

technology and approaches.

The time for BI and DW projects has arrived! Along with BI and DW technology and approaches maturing, another boon for smaller firms is that Microsoft has increased its capabilities in this arena and will penetrate the market with lower priced products.

Rick Sherman has more than 18 years of business intelligence and data warehousing experience, having worked on more than 50 implementations as an independent consultant and as a director/practice leader at a big five firm. He founded [Athena IT Solutions](), a Boston-based business intelligence consulting firm and is a published author and industry speaker. He can be reached at [rsherman@athena-solutions.com]() or (617) 835-0546.