
BENCHMARK REPORT
by Robert Holland **June 2023**

EVOLVING BUSINESS INTELLIGENCE AND ANALYTICS



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Insider Perspective

“We are placing more reliance on analytics to help our decision-making ability. Critical that we move from a reactive to more proactive response. Now that we have more historical and detailed data across our business, moving towards predictive and proactive decision making becomes more feasible. We plan to evolve our BI to allow more self-service capability. We also will move towards more dashboards and control towers, capturing more data from other sources both internally (e.g., logistics, manufacturing) and externally. We will also leverage AI/ML as applicable to provide another layer of analyses and insights.”

— STEVE BIRGFELD
VICE PRESIDENT, IT &
SERVICES, BLUE DIAMOND
GROWERS

CREATING a cohesive data fabric is integral to organizational business intelligence (BI). However, while many organizations strive to reach this goal, there is often a gap between building cohesive data fabric strategy and its execution. The introduction of SAP Datasphere earlier this year aimed to address this need by harmonizing mission-critical data across the enterprise while maintaining its business context. However, SAPinsider research shows that a need to demonstrate return on investment (ROI) and provide faster time to value may override such broader, strategic goals.

SAPinsider surveyed 178 members of its community between April and June 2023 to generate the insights necessary for this research. The survey questioned the respondents on the factors most responsible for driving their organization's business intelligence strategy. Given the rapid and unexpected changes in the global business environment over the last three years, it is no surprise that the factor having the most impact on business intelligence strategy is the need for agility in responding to industry, economic, or global conditions (**Figure 1**).

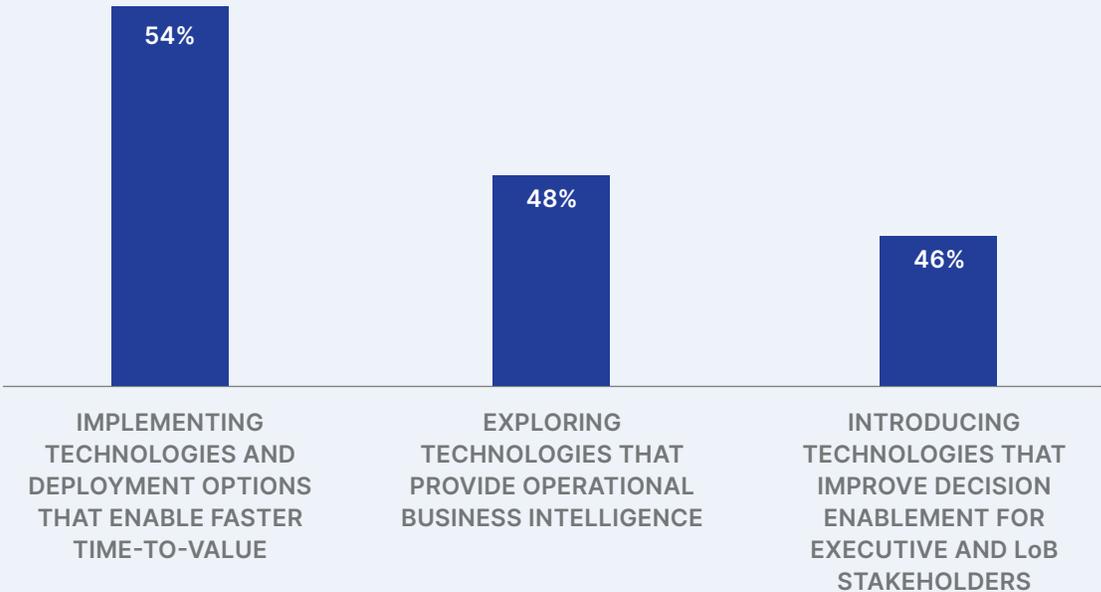
Organizations need insight into what is happening within their businesses in real-time. They can make effective decisions about the future of their businesses only by having this information. Operational Business Intelligence (OBI) expectations support this need for agility as OBI focuses on providing the type of real-time data and insights that are necessary for greater agility in decision-making. However, increased ROI requirements on technology investments may constrain the agility that is necessary for optimized decision-making.

Balancing factors that drive business intelligence needs is also reflected in the strategies that respondents indicated were most important to their organization's business intelligence needs. Exploring technologies that provide OBI and introducing technologies that improved decision enablement for executives and line of business stakeholders were selected by close to half the respondents, clearly it was the most important strategy along with technologies and deployment options that enabled a faster time-to-value (**Figure 2**).

Figure 1: Top Factors Driving Business Intelligence Strategy



Figure 2: Strategies Most Important to Business Intelligence Needs



Insider Perspective

“We are a data driven organization and, to make informed business decisions, BI and self-service data analysis is extremely critical. That is why we are continuing to invest in BI, data analytics to democratize data.”

— QA MANAGER, GLOBAL MANUFACTURER

Technologies and deployment options that enable faster time to value are important for demonstrating a rapid return on technology investments. Many organizations are looking at cloud-based computing to do this because it reduces the time to deploy new applications and services. In the business intelligence space, technologies like cloud-based BI may enable organizations to jump-start projects while self-service BI tools allow users to access and analyze data. But while enabling faster-time-value is a benefit for organizations, strategic goals like creating a cohesive data fabric can be more difficult to achieve.

Technologies that enable operational business intelligence significantly benefit organizations as these allow for improved decision-making and efficiency. By combining data from operational systems with historical data from traditional business intelligence tools, immediate insights can be generated for better short-term decision-making. But considering that only half the respondents reported on implementing a strategy to explore these technologies, it is evident that technology adoption is in the factfinding stage for many organizations.

The last major strategy highlighted by respondents is introducing technologies that improve decision enablement for executive and line of business (LoB) stakeholders. This strategic approach to decision-making ensures that these roles have the right information, tools, and training required for taking effective decisions. This includes ensuring that they have the right data to make their decisions and the tools to leverage that data, including data visualization and consumption. Most importantly, decision enablement focuses on ensuring that users have the right training to leverage the data and tools that they have access to.

The potential gap between strategy and execution in business intelligence objectives is demonstrated by the fact that a plurality of respondents stated that their business intelligence



objectives were only partially defined in their organizational strategic plans (42%) or enterprise roadmaps (46%). In fact, only 28% of respondents reported that their business intelligence objectives were fully defined in their strategy plan, and only 25% fully defined those objectives in their enterprise roadmap. Organizations that have not successfully defined their BI objectives in their multi-year strategic plans are less likely to effectively execute them.

This lack of progress towards broader business intelligence objectives is also visible when examining the status of business intelligence initiatives within respondent organizations (**Figure 3**). Most organizations are in the early phases of implementing their business intelligence initiatives, only one in three having defined a start date and less than one in five having reached go-live.

Part of the delay in completing these initiatives may be due to alignment issues between line of business and IT organizations. Only 19% of respondents reported a strong alignment, 74% reporting some alignment, although 51% indicate they understand where improvements are required to strengthen that alignment.

The challenges that respondent organizations are facing in deploying their business intelligence programs may further help explain this delay. More than half (56%) of respondents stated that securing budget is the biggest challenge to deploying business intelligence programs. Budget is a big challenge that connects directly to the increased ROI requirement for all technology investments and the need to demonstrate faster time-to-value.

Despite the need for a cohesive data fabric, respondent organizations are constrained with demonstrating ROI, faster time-to-value, and limit expenditure. This may preclude them from meeting their broader business intelligence objectives even though there is a need for more agility and cross-enterprise capabilities in business intelligence. However, as operational business intelligence gets embedded

Figure 3: Status of Actions Specific to Evolving Business Intelligence Initiatives

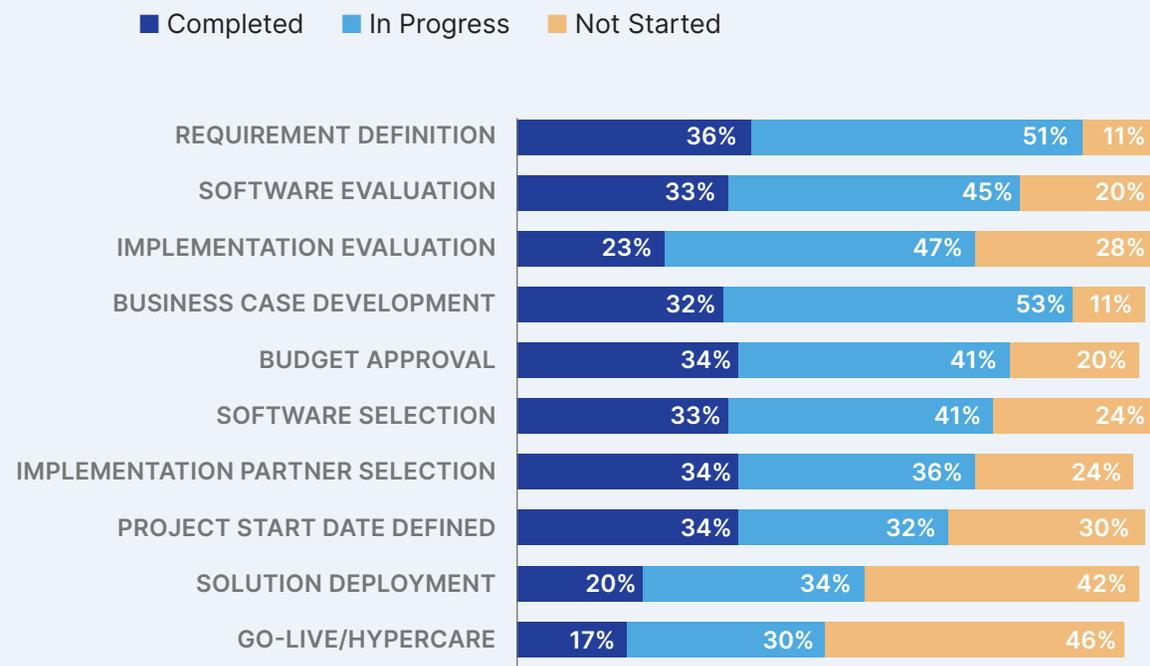


Figure 4: Challenges Faced in Deploying Business Intelligence Programs



in strategic plans and roadmaps, organizations will be able to better engage with their business intelligence plans.

This year's survey also revealed the following trends:

- 80% of survey respondents reported that their organization is currently considering, planning, or implementing business intelligence solutions. This speaks to the fact that many organizations are in the process of updating or enhancing their business intelligence capabilities.
- When asked to identify which scenario best described their organization's approach to adapting to evolving BI needs, 49% of respondents reported that they attempted to provide agile, quick wins but must balance it with internal evaluation, business case develop, budgeting, and other similar processes. 29% reported that everything must go through internal evaluation, business case development, and budgeting. 21% reported that they aimed for agile, quick wins with targeted responsiveness via a pre-allocated budget for evolving needs.
- 36% of respondents indicated they have plans to rationalize their BI technology platforms, 34% rationalizing data consumption tools, and 33% enterprise data warehouses, data lakes, and databases. 34% said that they are not planning to rationalize any of these technologies. Of those who are planning rationalization, 38% are already underway, 44% plan to rationalize in the next 1-2 years, and 18% stated that rationalization is more than two years out.

REQUIRED ACTIONS

Based on the survey responses, organizations should make the following plans around their business intelligence strategies:

- **Include business intelligence objectives in organizational strategic plans and enterprise roadmaps.** For most respondents, business intelligence objectives were at best only partially defined in multi-year strategic planning and enterprise roadmaps. However, for one in ten respondents, these objectives are not included in multi-year plans at all. Adding business intelligence objectives to enterprise-wide goals increases the chances of securing adequate funding and a greater understanding of achieving longer-term business intelligence goals. This allows business intelligence projects to be created and completed with comprehensive strategies and plans, and also provide enhanced support to cross-functional and operational business intelligence initiatives.
- **Focus on business intelligence technologies that support agile decision-making for stakeholders.** Respondents indicated that the most important factor in their business intelligence strategy was a need for agility in responding to changing conditions. They were then taking action to introduce technologies that improved decision-making for executive and LoB stakeholders, and required cloud analytics capabilities that maximize business user self-service. Putting in place technologies that support business users and stakeholders performing their own analyses will allow for greater agility in responding to changing business conditions.
- **Utilize newly introduced solutions and capabilities to facilitate the rationalization of business intelligence technologies.** Two thirds (66%) of respondents indicated that they plan on rationalizing at least one component of their business intelligence technologies over the next few years. The most likely is business intelligence technology platforms, but almost as likely are data consumption tools and enterprise data warehouses, data lakes, and databases. With the introduction of new business intelligence solutions and capabilities, for example SAP Datasphere, this is an appropriate time to consider plans for rationalization of business intelligence technologies.
- **Ensure line of business and IT teams collaborate on business intelligence initiatives.** Only one in five respondent organizations had strong alignment between LoB and IT teams when it came to business intelligence initiatives. Although only a small proportion (6%) indicated there was poor alignment, for 74% of respondents there was only some alignment. Given that the second most important factor driving business intelligence strategy was expectations for cross-enterprise financial or operational business intelligence, and a key strategy is that of improving decision enablement for executive and LoB stakeholders, it is critical that those LoB teams are closely involved in business intelligence planning. Making sure that business and IT teams collaborate closely on these initiatives is central to them being successful.

Business Intelligence Strategy and Needs



DRIVERS

- Need for agility in responding to industry, economic, and/or global conditions (46%)
- Expectations for cross-enterprise financial and/or operational business intelligence (40%)
- Requirement for increased return on investment (ROI) for all technology investments (34%)



ACTIONS

- Implementing technologies and deployment options that enable faster time-to-value (54%)
- Exploring technologies that provide operational business intelligence (48%)
- Introducing technologies that improve decision enablement for executive and LoB stakeholders (46%)



REQUIREMENTS

- Quick win, agile solution deployment (77%)
- Predictive analysis, scenario modeling, and “what if” analysis (76%)
- Cybersecurity tools that provide consistent protection across cloud and on-premise environments (76%)
- Cloud analytics capabilities that maximize business user self-service (72%)
- Solutions providing financial planning & analysis (FP&A) or extended planning and analysis (xP&A) capabilities (71%)



TECHNOLOGIES

- Cloud platform for ETL, integration, data management, and data staging (36%)
- Cloud analytics platform (33%)
- Role-based authentication for self-service data access (31%)
- Cloud platform for any-source data ingestion (27%)
- Data science and/or advanced statistics solutions/tools (26%)
- Predictive analytics technologies (23%)
- Out-of-the-box business or industry accelerators (18%)
- Technologies with native AI, ML, and external data library integration (16%)

Appendix: The Dart™ Methodology

SAPinsider has rewritten the rules of research to provide actionable deliverables from its fact-based approach. The DART methodology serves as the very foundation on which SAPinsider educates end users to act, creates market awareness, drives demand, empowers sales forces, and validates return on investments. It is no wonder that organizations worldwide turn to SAPinsider for research with results.

THE DART METHODOLOGY PROVIDES PRACTICAL INSIGHTS, INCLUDING:

DRIVERS	These are macro-level events that are affecting an organization. They can be both external and internal, and they require the implementation of strategic plans, people, processes, and systems.
ACTIONS	These are strategies that companies can implement to address the effects of drivers on the business. These are the integration of people, processes, and technology. These should be business-based actions first, but they should fully leverage technology-enabled solutions to be relevant for our focus.
REQUIREMENTS	These are business and process-level requirements that support the strategies. These tend to be end-to-end for a business process.
TECHNOLOGY	These are technology and systems-related requirements that enable the business requirements and support the company's overall strategies. The requirements must consider the current technology architecture and provide for the adoption of new and innovative technology-enabled capabilities.

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