SAP BusinessObjects
BI Competency Centers
People + Information = Intelligence

Timo Elliott, Senior Director, Strategic Marketing
May 2009
Agenda

1. Why have a BI Competency Center
2. BICC Organization and Staffing
3. BICC Functional areas and Key Tasks
4. Creating a BICC
5. Overcoming Common BICC Issues
6. BICC Examples
7. Conclusion
What is Business Intelligence?

Pragmatic Access to Widespread Information
Best of Both Worlds

Data warehousing and a BI Platform

Data View

- Integrated
- Consistent
- Predefined extractors
- Predefined business content

People View

- Integrate on the fly
- Flexible
- Access *any* information
- Self-service and customizable

Driven by Data Architecture + Driven by Business Need
The Business Intelligence Competency Center joins the skills, resources and experience of both Business and IT to achieve the common goal of the enterprise: fast, accurate business intelligence.

It is a cross-functional team with specific tasks, roles, responsibilities, and processes for supporting and promoting the effective use of Business Intelligence across the organization.
BI competency centers are an essential step towards more strategic use of information throughout in the organization.

- **Departmental BI**
  - Multiple BI tools
  - Shadow IT

- **Enterprise BI**
  - Standard Platform and Shared Services

- **Strategic BI**
  - Integrated BI
  - Strategy to Execution
Today’s Typical Reality: Informal, Ad-hoc Cooperation
Benefits of a BICC

Save money

- Gartner: “companies resisting the need to consolidate BI tools… will incur 50 percent more cost for each redundant tool”.
- META Group: “BI…must be subjected to the same standardization processes used for other technologies widely deployed throughout the organization (e.g., productivity tools, workgroup databases, corporate databases, web servers, browsers).”
BI Standardization Calculator

Business Intelligence Standardization Calculator

Directions: Move the slider bars to select the values for your organization and estimate how much you might be able to save with a business intelligence competency center. For more detailed options, and an explanation of how the various values are calculated, select "advanced settings."

Cost Comparison

Total Potential Savings
$1,342,857

Find Out More

Disclaimer. This tool provides estimated data, for illustration purposes only. Actual results or cost savings may vary and may be affected by additional factors not considered by this tool. The tool is provided "AS IS" without warranty of any kind, express or implied, and in no event shall SAP be liable for any damages whatsoever in relation with the use of this.
Benefits of a BICC

Increase business satisfaction
- Avoid frustration and time wasted accessing information across multiple systems
- Enable better business insight and collaboration
- Supports transversal initiatives such as sustainability
- Gartner: “A strategic approach to BI can pay handsome dividends to enterprises that exploit it properly”

Flexibility and control
- Provide a stable information and reporting interface, even when underlying systems aren’t
- Compliance, consistency, quality, administration
BI Software Usage is More Common in Companies with A BICC

Source: BARC, Organization of Business Intelligence, 2008

How many employees in your company use BI software (in percent)?
Percent, n = 271

- More than 50%: 13 With BICC, 14 Without BICC
- Up to 50%: 6 With BICC, 3 Without BICC
- Up to 25%: 18 With BICC, 14 Without BICC
- Up to 10%: 31 With BICC, 28 Without BICC
- Up to 5%: 33 With BICC, 41 Without BICC
A BICC Results in a Higher Level of BI Usage Across All Departments

Source: BARC, Organization of Business Intelligence, 2008
BICCs Improve the Quality of BI Initiatives

Rank these aspects of BI projects in your company.

### Satisfaction with internal BI initiatives
- **With BICC**
  - Percent, n=247
  - 6
  - 29
  - 52
- **Without BICC**
  - Percent, n=247
  - 16
  - 39
  - 39

### Quality of Information
- **With BICC**
  - Percent, n=255
  - 3
  - 27
  - 49
- **Without BICC**
  - Percent, n=255
  - 15
  - 32
  - 42

### Coordination of BI initiatives
- **With BICC**
  - Percent, n=252
  - Not developed
  - 4
  - 29
  - 47
  - Very well developed
  - 19
  - 30
  - 46
- **Without BICC**
  - Percent, n=252
  - Not developed
  - 13
  - 21
  - Very well developed
  - 6
  - 11

Source: BARC, Organization of Business Intelligence, 2008
BICCs Improve Cooperation And Support

Rank these aspects of BI projects in your company.

Cooperation between business users and IT
Percent, n=260
- With BICC: 7, 25, 41
- Without BICC: 16, 27, 39

Advice provided to business users
Percent, n=252
- With BICC: 6, 30, 49
- Without BICC: 13, 41, 33

Support on issues concerning existing BI applications
Percent, n=250
- Not developed: 4, 24, 50
- Not well developed: 13, 34, 39
- Well developed: 23, 26
- Very well developed: 14, 18

Source: BARC, Organization of Business Intelligence, 2008
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“Real knowledge is to know the extent of one's ignorance.”

Confucius
BICC Skills

Business Skills
- Link to business strategy
- Define priorities
- Lead organizational/process change
- Define BI vision
- Control funding
- Manage programs
- Establish standards
- Build technology blueprint
- Organize methodology leadership
- Have adaptable infrastructure
- Develop user skills
- Develop business rules
- Identify data
- Extract data
- Discover and explore
- Maintain data quality

Communication Skills

Governance Skills

Analytic Skills

IT Skills

Data Skills

Source: Gartner
BICC Reporting And Funding

CEO / COO
- Reports to the core business in a collaborative environment
- Or to largest business unit

CFO
- Reports to the finance function
- Requires awareness that management information is about more than costs and revenues

CIO
- Report to the CIO
- Or “strategic information officer”
- Requires good links with the business
- Beware of “technical comfort zone”

Funding
- Cross-charging provides a “virtual P&L” but can punish good behavior (only 1 in 5 BICCs charge a functional area)
- It’s about what incentives you want to put in place, not the “real costs” — promote use of standard solutions
Advantages of Virtual
- No extra expense
- Less danger of self-serving bureaucracy

Advantages of Real
- Full time
- Goals aligned with the organization
- Economies of scale / specialization
- More likely to be strategic, more likely to succeed
Distributed Functions and Links to Other Teams

CEO

Operations

Central Team

Finance

Offshore

Projects Teams

Links to other Centers

e.g. DW, ETL, ERP, etc.
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The possession of facts is knowledge, the use of them is wisdom

Thomas Jefferson
Functional Areas of the BICC

Business Intelligence Program

- Executive sponsor
- Vendor Management
- Data Acquisition
- Data Stewardship
- BI Delivery
- Advanced Analytics
- Training
- Support

Business Intelligence Competency Center
Business Intelligence Program

Create and monitor overall BI strategy
- Establish overall vision for leveraging the organization’s information assets
- Sets business improvement strategy, set targets and track success
- Manage organizational change
- Determine and standardize information sources
- Enable collection and consolidation

Gather and share knowledge
- Give advice and coaching to business users on how to use BI and interpret results
- Keep track of new trends and technologies and map them to the organizations needs
- Define information audiences and information access rights
- Define best-practice infrastructure, methodologies, and standards
- Establish and maintain a corporate knowledge base

Run BICC
- Business planning for the BICC aligned with organization’s strategic and operational goals
- Promote use of the BICC and its services within the organization
- Define and monitor BICC-related KPIs
- Recruit and train staff
- Establish billing processes (if appropriate)
**Data Acquisition: Extract and transform data**

- Create interfaces to source systems
- Standardize rules and jobs for data extraction
- Monitor performance and optimization
- Create data integration processes
- Strengthen the role and use of metadata
- Establish common data definitions across the organization: “one version of the truth”

**Data Stewardship: Trusted, tracked information**

- Accurate, consolidated information
- Agree on data definitions and standards
- Establish definition verification program
- Define reconciliation processes
- Define metadata and business rules
- Conduct data quality improvements
- Enable impact analysis and data tracking
- Ensure communication to and participation of all parties
**Execute projects**
- Carry out infrastructure maintenance
- Track change requests and new projects
- Gather user requirements and feedback
- Execute project management, including technical change management
- Establish development, testing, and promotion processes
- Collaborate with IT functions

**Document and evolve best practice guidelines**
- Execute project review and evaluation
- Publish documentation and usage guidelines
- Determine format, channel, and content appropriate for each user profile
- Monitor adherence to access restrictions and other rules
- Monitor and improve performance, clarity, and layout
- Develop and implement organizational reporting standards
Advanced Analytics

Manage business needs
- Monitor opportunities
- Define analysis scope
- Evaluate cost versus business benefit
- Estimate effort for complex tasks

Data preparation and validation
- Collaborate with data acquisition and data stewardship functions

Research and knowledge sharing
- Establish and implement analytical methodologies, models, and standards
Training

- Review training needs in the BICC and for business users
- Examine training needs in relation to specific projects
- Determine training types and media (instructor-based training, e-learning, coaching, appropriate literature…)
- Develop training plan and materials
- Organize logistics
- Interface with external suppliers
- Evaluate training
- Facilitate knowledge transfer
Support

- Establish a call-tracking and classification system
- Establish problem-solving techniques and tools
- Define an answering and escalation routine
- Define service-level agreements
- Technical support: establish interfaces to IT department and vendors
- Business support: establish interfaces to business departments
Vendor Management

Vendor relationship management
- Validate vendor portfolio with strategic and operational goals
- Collaborate with strategic vendors

License management
- Monitor adherence to vendor license regulations
- Review and optimize license usage
- Renegotiate contracts

Bidding processes
- Review and create input for proposals, contracts, etc.
- Conduct vendor evaluations and approval
User Adoption

Segment users by business initiative, profile, and task

- See TDWI white paper: “Pervasive Business Intelligence: Techniques and Technologies to Deploy BI on an Enterprise Scale”
Pragmatically implementing BI standards to reduce overlapping tools, lower costs, and maximize the benefits of BI

Create and defend standards based on:
- Functional capabilities
- Infrastructure requirements
- Vendor criteria
- Total cost of ownership

Gartner: “Start an active program to standardize on business intelligence tools… Starting now is critical, if you are to achieve strategic deployment and associated cost savings in the next three years.”
Handling “Legacy” Products

Don’t rip out products that work today
- Instead, concentrate on new projects
- Wait for the next corporate re-org, etc.

Don’t lock out other choices completely
- Sends wrong message to the business — and can be counter-productive (there’s always Excel)
- But act to avoid negative reinforcement behavior: “look, my product is better than what central IT provides you!”

Use shared service / purchasing incentives as a carrot
- If it’s the corporate choice, it’s cheaper, and you get more support

Standards have to be enforceable
- If they have no teeth, don’t expect the standard to remain one
- Need a “right of review” for projects, including ROI tracking
Review And Adjust

Have a formal review of BICC performance on a regular basis

- Business user satisfaction
- Review of key performance indicators
- Review of support policies and issues
- ROI of BI investments
- Communications policies
- Repartition of roles
- Future business needs
- Future technical possibilities
BICC Strategy Map Example

Financial Perspective
- BI Efficiency
  - Insure budgeting discipline
  - Increase Asset Utilization
- Long-Term Shareholder Value
  - BI Effectiveness
  - Impact on enterprise outcomes

“The Business” Internal Customer Perspective
- Competency
  - Deliver BI services at competitive cost
  - Deliver consistent, high quality BI services
  - Support business unit needs with BI

IT Service Management Perspective
- Achieve Operational Excellence
  - Maintain a secure and reliable infrastructure that ensures business operations
  - Manage service quality; deliver on schedule
  - Optimize BI processes; lower unit costs
- Create and Support Business Unit Partnerships
  - Improve business unit productivity and profitability
  - Partner with business units; understand their strategies
  - Develop effective decision support systems
- Provide Strategic Support to the Business
  - Propose and deliver Information Management Services
  - Understand emerging BI technologies
  - Provide superior BI professional services

Learning & Growth Perspective
- Attract, develop, and retain employees with key competencies
- Provide BI tools and techniques that enhance the BI function
- Foster a business and customer-focused culture

2007 Balanced Scorecard Collaborative and Robert S. Kaplan - Revised
The Strategy Map and Balanced Scorecard Should Represent a Complete Program of Action

### Strategy Map

#### Theme: Improve Decision Making

<table>
<thead>
<tr>
<th>Internal Customers</th>
<th>IT Service Management</th>
<th>Learning</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial</strong></td>
<td><strong>Financial</strong></td>
<td><strong>Financial</strong></td>
</tr>
<tr>
<td>Improve Productivity of Knowledge Workers</td>
<td>Gain efficiency through process improvement</td>
<td>Develop the necessary BI skills</td>
</tr>
<tr>
<td>Lower BI TCO</td>
<td>R&amp;D BI Lab</td>
<td>R&amp;D BI Lab</td>
</tr>
<tr>
<td>Reduce BI Infrastructure Costs</td>
<td>Develop Online Training Programs</td>
<td>Develop lab environment for innovation</td>
</tr>
<tr>
<td>Reduce Labor Costs of BI resources</td>
<td>Develop Online Training Programs</td>
<td>Develop lab environment for innovation</td>
</tr>
<tr>
<td>Reduce License Fees</td>
<td>Improve tracking of BI support incidents</td>
<td>Develop lab environment for innovation</td>
</tr>
<tr>
<td>Provide cost-effective Innovative BI Solutions</td>
<td>Reduce number of Help Desk intake channels</td>
<td>Develop lab environment for innovation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Balanced Scorecard

<table>
<thead>
<tr>
<th>Measurement</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td># of BI environments</td>
<td>One</td>
</tr>
<tr>
<td>Annual BI Tool maintenance &amp; support fees</td>
<td>&lt; $75k</td>
</tr>
<tr>
<td>End-User Satisfaction Survey</td>
<td>85% Favorable</td>
</tr>
<tr>
<td># of Self-Service Knowledge Workers</td>
<td>250</td>
</tr>
<tr>
<td># of BI Services available</td>
<td>15 Services</td>
</tr>
<tr>
<td>% of 1st time incident resolutions</td>
<td>60%</td>
</tr>
<tr>
<td>Time to resolve BI incidents</td>
<td>4 hours</td>
</tr>
<tr>
<td># of online BI training courses</td>
<td>10 intro, 5 adv.</td>
</tr>
<tr>
<td># of Help Desk intake channels</td>
<td>(2) – 800#, Online entry</td>
</tr>
<tr>
<td># of repository entries</td>
<td>50 per month</td>
</tr>
<tr>
<td>Avg. Rating of entry</td>
<td>4 out of 5</td>
</tr>
<tr>
<td>Availability of BI lab configuration</td>
<td>95.999%</td>
</tr>
</tbody>
</table>

### Action Plan

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>BI Tool Consolidation Project</td>
<td>$150k</td>
</tr>
<tr>
<td>Cotermious SW License negotiations</td>
<td>$150k</td>
</tr>
<tr>
<td>Online User Survey Project</td>
<td>$5k</td>
</tr>
<tr>
<td>BOE Xir2 Upgrade</td>
<td>$350k</td>
</tr>
<tr>
<td>BI specific Education Program</td>
<td>$150k</td>
</tr>
<tr>
<td>BI Incident Management improvement Program</td>
<td>$150k</td>
</tr>
<tr>
<td>Service Desk Reengineering Program</td>
<td>$200k</td>
</tr>
<tr>
<td>Repository incentive program</td>
<td>$50k</td>
</tr>
<tr>
<td>Configure BOE Lab environment</td>
<td>$100k</td>
</tr>
</tbody>
</table>

**Communicate**

**Measure**

**Execute**
Governance Example

BI Steering Committee
- Executive sponsor(s)
- BICC Manager
- Key stakeholders (e.g. CRM)
- Monthly
- Provide high level oversight
- Provide spending authority

BI Governance Board
- BICC Manager
- Other team leads (e.g. CRM)
- Bi-monthly
- Provide program mgmt guidance
- Resolve cross-LOB Issues

BI Project Team
- BICC Manager
- BI Program Manager
- Other project staff
- Weekly
- Provide high level oversight
- Provide spending authority

BI Competency Center
- Project Team 1
- Project Team 2
- Project Team 3
- ETL/Operations Team
- Website Team
- Data Management Team
- Education/Training Team
- Business Performance Analyst Team
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Act Tactically, Within A Strategy

“You’ve got to be very careful if you don’t know where you’re going, because you might not get there”

Yogi Berra
With a cross-functional team, calculate the costs and benefits of existing BI deployments

- Information is power
- Don’t underestimate the power of anecdotes and stories
Getting Ownership and Momentum Increasing BI Maturity

Build on BI successes to drive standards and shared services

Work with the CFO: financial planning and budgeting, and extended reporting initiatives

- Office of Finance
- Executive KPIs

Link to top-down management methodologies such as Balanced Scorecard, Six Sigma, etc.

Share information with customers, partners, and suppliers

- Extranet Initiatives
- Operational BI

Create bottom-up operational dashboards and embedded reporting

- Department BI Projects
- Procurement

Widespread project-by-project usage throughout the organization

- BI Competency Center

1. Promote BI project success and investigate business frustrations
2. Build working group of BI IT and users across the organization
3. Build plan and ROI case for BI Competency Center
A progressive hand-off to a permanent organization

Executive Steering Committee

Program Management Office

Strategic Planning Technology Strategy

Prioritized Initiatives

Evolution

USERS

Project

Competency Center

 USERS
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Ignorance more frequently begets confidence than does knowledge.

Charles Darwin
BI Competency Center Survey

In general, very positive feedback once BICCs have been created.

But overlaps, usefulness, responsiveness can be an issue.
Common Issues

Long-Term Stability

- Wrong Mission
- Lack of Business Support
- Inappropriate Organization
- Insufficient Authority
- Low Communication
- Poor Responsiveness

Common Issues
Wrong Mission
Lack of Business Support
Inappropriate Organization or Funding
Insufficient Authority
Low Communication

DSS Driving Decisions...

Still getting your figures the old way?

Try DSS; it’s fast, clear, and easy.
Example of a Success Story Slide

A concrete example from one of the departments on the previous page (ideally the largest and most important), told in “story” format, using a named person in the business

The business person’s need was to...
- E.g. increase customer satisfaction, lower product defects, etc. — the more specific the better

Before BI, she had to...
- E.g. send out paper reports, download information to Excel, wait two months for end-of-month close data, etc.

Now, she’s able to...
- E.g. get more information, get information faster, do more analysis — the more specific the better

And the benefit to the business is (numbers)
- E.g. percentage increase in quality, decreased number of defects, etc. — equivalent to X dollars of savings/new revenue, with an ROI of equal to X% or X% change in budget or profits, .0X cents per share
Poor Responsiveness
Long-Term Stability
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Some Examples...

**US Insurance Company**
- Best-case scenario: BICC creation by executive order

**European Bank**
- IT-organized, bottom-up BICC prompted by user frustration

**European Telecom**
- Very small central team, but very strategic

**European Oil and Gas Company**
- Boom and bust: the problem of decentralized organizations

**European Pharmaceuticals Company**
- Finance leads the way, in conjunction with data warehouse
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Other Recommended Resources

intelligent enterprise

August 2008
http://www.intelligententerprise.com/showArticle.jhtml?articleID=210280396

Seven Steps to Successful BI Competency Centers

From setting a strategy—vision and metrics—C-level support to promoting success and responding to emergencies, follow these seven suggestions for developing BICs that boost business performance.

By Doug Hestenes

Maturity and success often go hand in hand. That’s as true for business intelligence (BI) deployments as it is for people.

BI Competency Centers: From 'Should We?' to 'How Should We?'

Gartner Business Intelligence Summit

Bill Hostmann

The Business Intelligence Competency Center: An Essential Business Strategy

Good business intelligence (BI) doesn’t just alert an enterprise to looming problems; it also highlights opportunities and cost savings. But good BI needs a good team — the BI competency center.

Management Summary

The dominant theme in BI is communication. IS organizations and users (and often executives) speak different languages, so who can act as the interpreter? Who understands the needs of the IS organization and users, and can make sense of them in terms of an enterprise’s BI strategy? The answer is simple — the BI competency center. What the center can do is:
Summary

There’s never been a better time to implement a Business Intelligence Competency Center

There are big benefits for both IT and the Business

BI is about People, not Technology
Thank You!

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BI Questions Blog:
www.timoelliott.com