

Serving the Underserved: Is On-Demand BI the Answer?

Aberdeen research conducted during June and July 2007 has found that organizations are facing pressure to deliver enterprise information that is timely and effective toward meeting business goals. This requires that companies have access to the information, the ability to combine, aggregate and integrate the information, and then deliver it to people when, where and how they need it. The IT and BI skill sets that are required to meet this demand are in limited supply. Due to limited BI skill sets, projects are often delayed, over-budget, and lack the integrated data necessary to meet business goals. The combination of limited skill sets and increased On-Demand BI capabilities has catalyzed the emergence of a variety of solutions from both new and entrenched vendors.

“OnDemand BI” and Consulting Solutions are addressing the IT and BI skill set shortage

Recent Aberdeen research has investigated how organizations are approaching the growing demand for BI across the enterprise. Reporting and analytics solutions have grown from an exclusive tool for power users to a critical business application for all knowledge workers. Yet, as information access is demanded “when, where and how” knowledge workers want it, companies are struggling to find the BI and IT skill sets required to provide and support a geographically dispersed organization with a wide variety of business roles and information needs.

Several new options for delivery of actionable information are emerging, including software deployment techniques such as software-as-a-service (SaaS; also known as On-Demand software), BI appliances (two flavors – software and software/hardware combination), hosted/ASP, and hybrid options.

The BI market’s established vendors, such as **Business Objects, Cognos, Oracle/Hyperion and SAS** are introducing On-Demand options, while smaller providers like **SeaTab, Oco, LucidEra, Dimensional Insight, and OnDemandIQ** are offering BI as a complete On-Demand solution. Additionally, many software providers have developed or acquired robust training services to address skill set limitations.

Consulting firms such as **Accenture, BearingPoint, EDS, and Hitachi Consulting** offer focused BI services aimed at alleviating the strain on an organization’s IT resources while delivering complex large-scale solutions that are customized to a company’s needs.

Vendor Checklist

Items to consider when evaluating vendors:

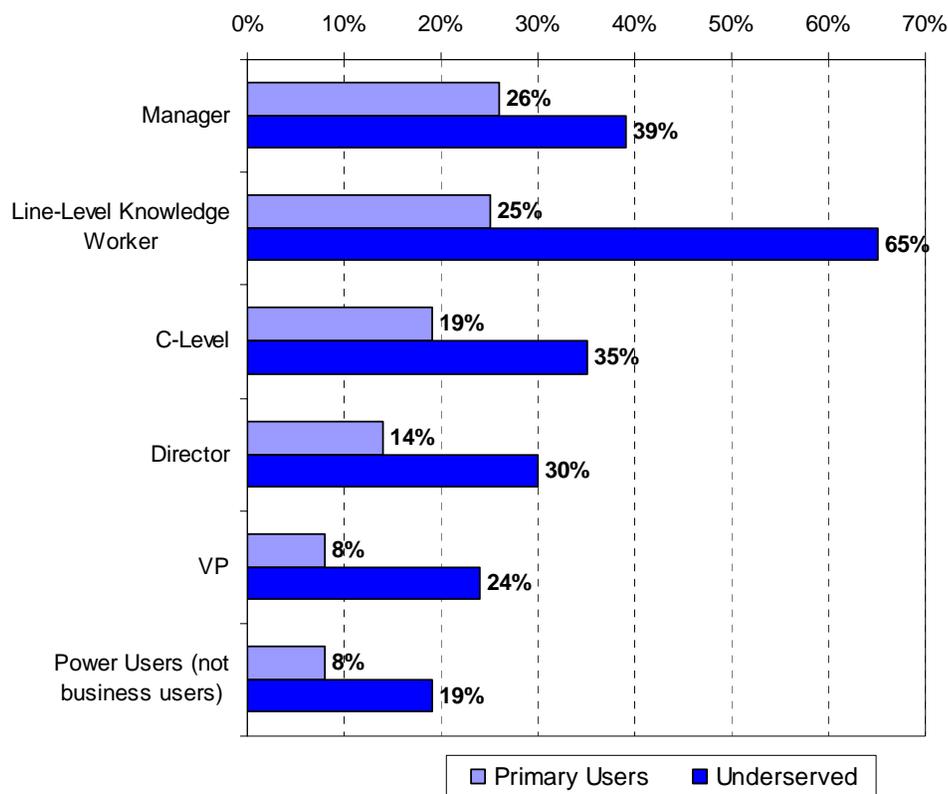
- √ What consulting services are offered, recommended or required? Does the vendor offer assistance with the creation of a BI Center of Excellence or BI Competency Center (BICC)?
- √ What training services and materials are made available to customers? How much up-front training is required? Is there an option to “train the trainer”, and what is the on-going recommended training regimen?
- √ What types of delivery methods are available? (On-Demand, SaaS, Hosted, Traditional)
- √ Does the vendor address backend issues such as data quality, integration from all data sources, and data storage/access as it relates to system performance?

The BI “Underserved”

Aberdeen research has revealed that the primary users of BI are also the most underserved. Not surprisingly, “line-level knowledge workers” are identified as one of the top users of information; however, they are also the number-one group identified as being underserved by current BI capabilities.

Notably, all groups were identified as being underserved at a greater rate than they were reported as being primary users of BI [Figure 2]. Senior management (C-level executives and VP-level executives) are identified as having a disparity between usage and level of need. While they are not the dominant primary users within their organizations, C-level executives are almost twice as likely to be underserved, and VP-level executives are three times as likely to be underserved than primary users of BI applications.

Figure 1: Primary and underserved users of BI applications



Source: Aberdeen Group, July 2007

Customer Perspective

“I’m the only IT resource. I’m in charge of everything from cell phones to laptops to company-wide information applications. Everyone is on the road and needs information now. We are continually updating policies to align with government safety codes and standards which differ from state to state and country to country. On-Demand technology is needed to support these requirements.”

Kerry Durham
 IT Manager
 Burks & Associates

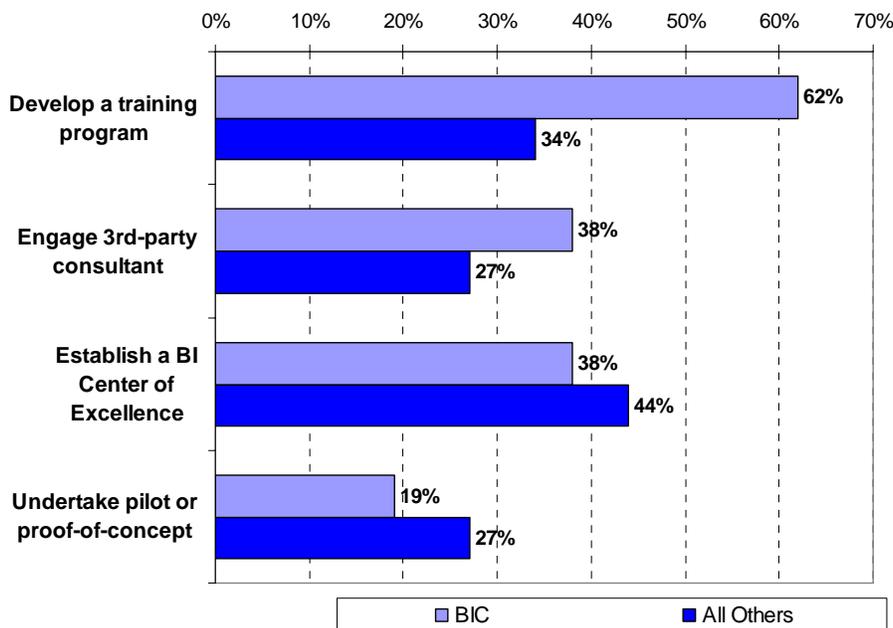
What are companies doing about underserved stakeholders?

Aberdeen used four key performance criteria to distinguish Best-in-Class (BIC) companies from Industry Average and Laggard organizations. BIC organizations showed significant improvements in all four areas over the previous two years:

- **58%** have decreased the time-to-completion of BI projects
- **79%** have increased on-budget completion of BI projects
- **36%** have decreased the cost-per-user of BI applications
- **32%** Reported that increasing the number of people in the organization with relevant BI/IT skill sets directly impacted revenue

Organizations have indicated a high degree of interest in establishing capabilities that address users’ skill set needs. A majority of research respondents have identified development of a training program, defining required BI skill sets, establishing a content management strategy, and documenting a process for determining BI project ROI as the top planned capabilities for the next 12 months [Figure 3].

Figure 2: Top BI Capabilities – Current and Planned



Source: Aberdeen Group, July 2007

Customer Perspective

“Our BI solution helped us make decisions on data that we were never able to get to and never able to see before. We used to rely on month-end reporting that was then loaded into another system to perform analysis. With our BI capability, we can now do the analysis on a real-time basis, not just at month-end.”

Jeff Ward, Manager,
General Financial Systems, LMHS

Case in Point

Take, for example, the case of Lee Memorial Health System (LMHS), a leading not-for-profit community-owned healthcare provider. One of the primary aims of LMHS is to increase patient satisfaction. This measure is a top driver of profit margins – the key to giving back more to their community. This is akin to customer satisfaction in other industries, and as such, patient satisfaction is driven by key indicators that must be constantly measured, monitored and acted upon:

- Decreased wait times
- Increased nursing-to-patient ratios
- Improved quality of care measures
- Lower cost & higher revenue-per-patient

In essence, the factors that drive operational efficiency and performance also drive patient satisfaction. This presented a need to tap into years of accumulated clinical and financial data in order to provide new and timely insights into the operation of the business for managers and staff who work directly with patients. Like most healthcare providers, LMHS has a large number of disparate IT applications to manage both clinical and business operations. While each individual application is outstanding at recording transactions for a given medical or business function, many were implemented before the need to have a holistic view of the business was recognized. LMHS struggled to deliver timely information that was easy to access and use by decision-makers.

By partnering with a BI application provider, LMHS was able to gain insight into information previously unavailable. This has resulted in several performance improvements:

- Increased patient satisfaction by reduction of waiting time
- Reduction of operating costs by increasing bed utilization
- Increased revenues by maximizing reimbursements
- Continual improvement of business efficiency by spending more time on intelligent analysis of task-specific data

The key to their success was the ability to identify the data necessary for a set of people who are tasked with specific goals (i.e. patient satisfaction) and deliver it within a very straight-forward environment that allows for analysis and decision-making by line-of-business managers and staff. This has proven to be far more successful than the previous process of having technical data experts drilling into massive sets of corporate data to answer point-questions from management. In essence, the delivery of actionable information to underserved stakeholders yielded performance gains that were previously not achieved.

Recommendations for Action

Organizations interested in expanding the use of BI capabilities throughout the enterprise should consider the following:

- Limited BI skill sets are a primary cause for failed BI projects. If the intended users of BI applications do not possess the analytical and computing skills required to use the installed or planned BI applications, think about taking a best-in-class approach. Develop training programs internally, using your current knowledge base, or engage a third party consultant who can deliver a best-practices approach gained from a variety of external experiences.

Customer Perspective

“Our BI system takes the power of information and decentralizes it for all departments that need it, without them having to come to decision support to get it.”

*Richard Senicola,
Senior Decision Support Analyst,
LMHS*

- Underserved stakeholders are made-up primarily of line-level knowledge workers who have traditionally had little or no access to BI applications. This is not surprising due to BI's history as being a more strategic tool for looking at data trends and analysis of business across large swaths of summarized data and time periods. As BI is becoming more and more targeted to operational information, look for opportunities to address line-level workers with BI applications that do not require heavy analytic skills and education on complex interfaces and data manipulation tasks.
- Do not try to provide all things to all people. As noted in the case study above, focusing on one operational problem with well-defined challenges and success criteria can prove more fruitful than a general approach to information delivery.

For more information on this or other research topics, please visit www.aberdeen.com or contact: Tina Putnam at 617-854-5276, or via Email at tina.putnam@aberdeen.com.

Related Research

[Business Intelligence in Retail Merchandising: Harnessing Advanced Data Management to Address Today's Merchandising Challenges](#)
September 2006

[Business Intelligence in Retail Customer Management: Bringing Information Together to Build the Accurate Customer Profile.](#)
December 2006

[The 2007 Aberdeen Report.](#)
May 2007

["On-Demand" Is Not Far Behind BI on the Technology Wish List.](#)
June 2007

[Are Performance Management Applications Only for Large Companies?](#)
June 2007

[Analytics University: Part 1.](#)
July 2007

[Analytics University, Part 2.](#)
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