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Survey on using BI software

Recommendations for Financial Services

A January 2008 internet survey on “Decision-making Using Systems & Technology” shows that organizations with an “internal unit that helps people use software in decision-making” – a business intelligence competency center – improved the organizations’ business performance, increased the collaboration between business and IT units, increased user satisfaction with business intelligence software and solutions, as well as lowered the cost of ownership for business intelligence software. The survey analysis, relevant literature and interview cases revealed how to establish an effective business intelligence organization and provided considerations about the organizational authorities and responsibilities.

Survey Scope and Methodology

The objective of the survey was to examine the outcomes of business intelligence competency center adoption or non-adoption, and specifically whether adopters reap benefits including more accurate, faster or more economical decision-making.

In January 2008, an email invitation was sent to a broad selection of management, business, and information technology (IT) professionals to take a survey on *Decision-making Using Systems & Technology*. The survey was designed to ask for facts and opinions about how the respondents’ organization uses software for decision-making and the internal organization that is available for helping people with using software in the decision-making process. The survey included branching so that not all



respondents completed all questions to reach the end of the survey. This article focuses on the Financial Services subset of the survey data.

Survey Demographics

The survey included 97 respondents from the Financial Services (including Banking and Depository and Financial Services) industry, 38 percent of which indicated having a virtual or fixed entity for helping staff use decision-making software. Of the Financial Services organizations that responded, 55 percent had more than 500 million US-Dollars in revenue, 68 percent were multi-national organizations operating in more than one country, and 70 percent had more than 1,000 employees.

72 percent of the respondents in Financial Services reported that their organizations’ annual financial performance “Exceeded previous year’s performance”. Given the current problems in the United States mortgage industry this was a surprising result. However a cross analysis of the data revealed that 9 percent of the North American organizations did indicate a “Declined from previous year’s performance”.

Use of Decision-Making Software

Financial Services is one of the most progressive industries using advanced analytic applications, data quality, and data warehousing software more often than other industries. Enterprise Resource Planning (ERP) software was used less often. The top three software vendors used by most respondents were Microsoft, Oracle, and SAS. The industry used Applix, Business Objects, Information Builders, Panorma, and SAS more frequently than other industries. The survey data revealed that decision-making software is used at all management levels in Financial Services, including the Board of Directors (63 percent) and Chief Executive Officers (80 percent). In addition, the industry had more cases where the software automatically made the decisions on the “Customer mix, competitive

Geographic Location	Job Functions
North America (29%), Latin America (10%), Europe Middle East and Africa (42%), and Asia Pacific (19%).	Executives (CEO, COO, CFO, CRO, SVP, etc.) (22%), Business Directors / Managers (56%), Business Functions (10%), IT (9%), and Other (3%).

Table 1: Respondent Demographics

emphasis or organization structure". However, compared to other industries, Financial Services had more executives "Not at all" using the software. The survey revealed that the term BICC is not frequently used (three percent) to describe the decision-making support entity. The business intelligence organization is in most cases (75 percent) not governed by a single individual. Most BI organizations have cross-organizational responsibility, but tend to be virtual structures with multiple departments or functions fulfilling the responsibilities of a BICC. Throughout this article, we continue to refer to the BI organizations as BICCs.

The Impact on Performance

The survey proved that despite the BICCs having different combinations of responsibilities, they produced better decisions and higher performance compared to organizations without a BICC. Reported BICC advantages include:

- ◆ Presenting reports with good quality, consistent data
- ◆ Using existing technologies in new ways to make decisions
- ◆ Using standard software packages
- ◆ Routinely adding more users for existing decision-making software

BICC users also reported that the IT unit was aligned with the business units and IT helped the business units deliver solutions that would help grow revenue or improve performance.

Survey participants reported that the BICC was effective "To a great degree" in helping reduce cost of ownership for the decision-making software, increasing resource efficiency and improving financial performance.

Recommendations

The survey analysis, relevant literature, and interview cases demonstrate how organizations improved business performance through the cost-effective use of decision-making software. Some of the most common BI organization characteristics from the survey suggest the following:

- ◆ Establishing a formal business intelligence organization can increase organizational efficiencies, business user satisfaction, innovation, IT and business collaboration and reduce costs. The exact title or function of the BICC

is less important than the creating, implementing, and utilizing an integrated BI *brain* that fits users' needs. The BICC's existence and function should be communicated clearly so that all stakeholders can fully utilize it.

- ◆ Systematizing the person-to-person support infrastructure is the most significant driver to increase performance. This includes providing training and support functions that focus on "Helping people improve business performance" and "Interpret and apply insights". There should also be provisions for empowering top management to use the software.
- ◆ A BICC can be a virtual structure with multiple departments. Staff with knowledge of specific software, with functional specializations as well as with IT functions were mentioned when respondents described the structure of their BICC. The responses also indicated that the BICC can be partly or completely outsourced to a *partner* or another company subsidiary.
- ◆ Creating cross-organizational plans, standards, and architecture for decision-making infrastructure brings a higher level of efficiency that directly impacts business performance. Standards should be developed by collaborating between the business and IT functions as well as by interfacing with others outside the organization.

The results consistently indicate that implementing a BICC can deliver superior decisions and managers' assessment of performance. Although some non-adopters reported quality, speed, or performance improvements without a specific BICC investment, BICC adopters did report a higher degree of improvement than non-adopters.

The survey was sponsored by Troy University's Heidelberg, Germany Site. The content was designed by MaxMetrics GmbH. The full results including interview cases will be published in May 2008.

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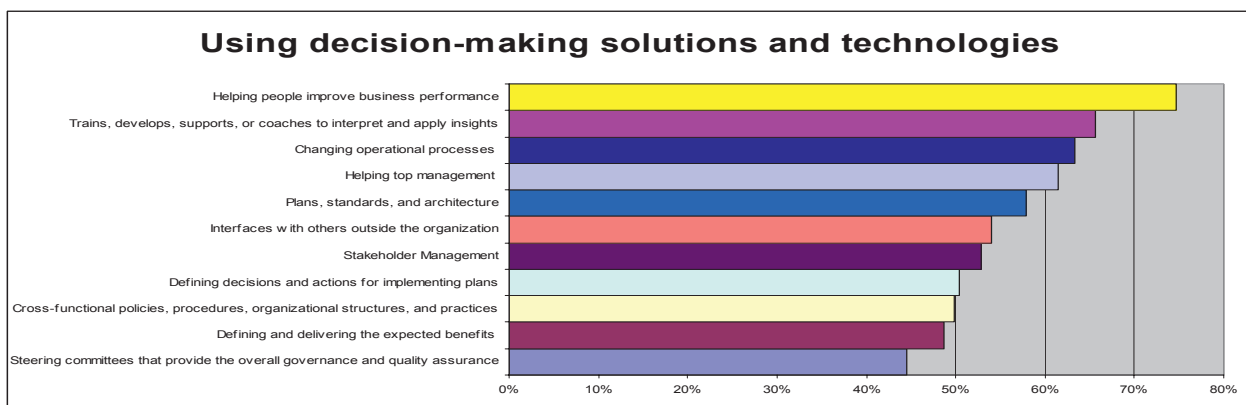


Figure :1 Responsibilities of a BICC