

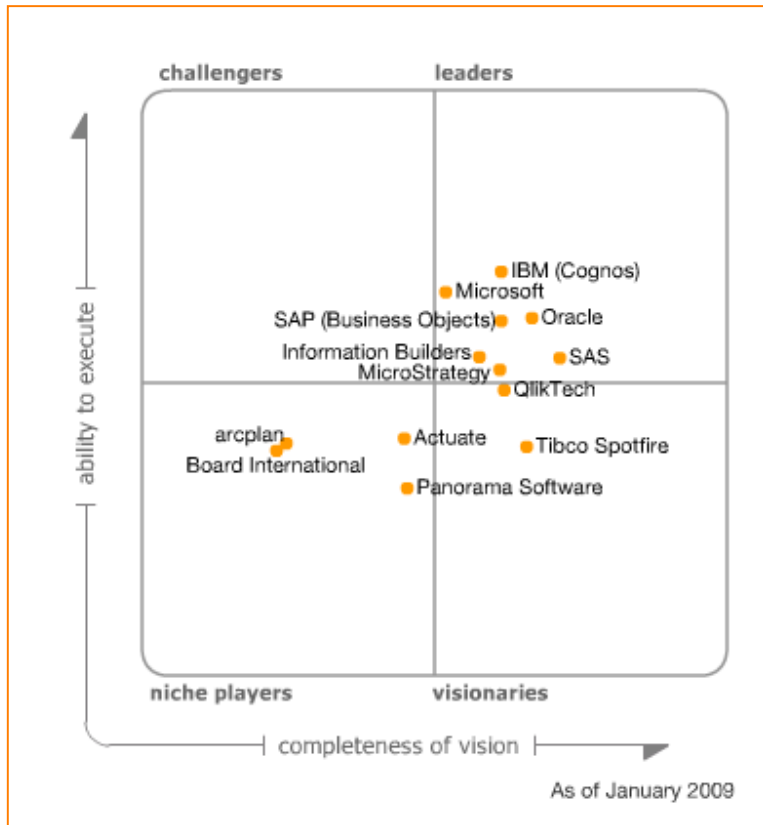
White Paper: Business Intelligence trends and benefits in 2009



Introduction

Enterprises banked on IT leaders in charge of BI and performance management initiatives to help transform and significantly improve their business. This year's focus was on the need for BI and performance management to deliver business value. The range of impact of business units exerted greater control over analytic applications to the impact of the economic crisis and this forced a renewed focus on information trust and transparency to innovations such as collaborative decision making and trusted data providers that significantly increased the value derived from BI investments.

The Magic Quadrant for Business Intelligence Platforms presents a global view of Gartner's opinion of the main software vendors that should be considered by organizations seeking to develop business intelligence (BI) applications. Buyers should evaluate vendors in all four quadrants and not assume that only the largest organizations can deliver successful BI implementations. In addition to Gartner analysts' opinions, the scores and commentary in this document are based on three sources: customer perceptions of each vendor's strengths and challenges derived from BI-related inquiries with Gartner, an online survey of vendor customers conducted yielding 480 responses, and a vendor-completed questionnaire about their BI strategy and operations.



Business Intelligence featured as the top 2 in Gartner's Top 10 Strategic Technologies for 2009.

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2009 – Collaborative Decision Making

In 2009, collaborative decision making has emerged as a new product category that combines social software with BI Platform capabilities.

Key Findings: 71% of respondents to Gartner's latest BI survey indicate that improving decision making is the top driver for BI investments.

However, most BI strategies focus on information delivery not decision making. IT leaders faced an overwhelming challenge in moving their company's culture away from "gut feel" and toward empirical, fact-based decision making. The emergence of social software such as Facebook, MySpace and Delicious presented an opportunity for savvy IT leaders to exploit the groundswell of interest in informal collaboration. Instead of promoting a formal, top-down decision making initiative, these IT leaders tapped people's natural inclination to use social software to collaborate and make decisions.

Market Implications: Using social software enabled a collaborative approach to decision making where relevant parties came together, discussed an issue, brainstormed on options, evaluated their pros and cons and made a decision. IT leaders have aligned this use of social software with their BI architecture. In particular, users tagged assumptions made in the decision making process to the BI framework. For example, in making a decision about how much to invest in marketing a new product, users tagged the assumptions they made about the future sales of that product to a key performance indicator (KPI) that measured product sales. The BI platform then sent alerts to the user when the KPI surpassed a threshold so that the users knew when an assumption was made in the decision making process that longer holds true. With collaborative decision making taking off in 2009, social network analysis were able to track who is making decisions in the organization and how. Social network analysis showed the value of BI by tying the dimensions and measures to decisions made in the company. It has also created a powerful archive that would enable a forensic approach to audit decisions to understand how decisions were made in the company.

Strategic Planning Assumption

By 2012, business units will control at least 40% of the total budget for BI

Key Findings: Discussions with business users indicate that they have lost confidence in the ability of the IT organization to deliver the information they need to make decisions. The IT organization excels at building BI infrastructure but struggles to understand the business enough to support it with the right information.

Market Implications: Business units drive analysis and performance management initiatives today. They mainly use spreadsheets that create dashboards full of metrics, and are turning to analytic applications and packaged business applications to automate the process. BI vendors already offer packaged analytic applications targeting specific functions, such as finance or marketing but are often not the choice of business users. As a result, business units have increased spending on packaged analytic applications, including corporate performance management (CPM), online marketing analytics and predictive analytics that optimize processes, not just report on them. By making these purchases outside of the influence of the IT organization, business units risk creating silos of applications and information, which limits cross-function analysis. This adds complexity and delay to corporate planning and execution of changes.

Market Overview: The Business Intelligence Software Market

The BI market is much less affected by the current economic crises than most other software markets and will continue to grow to \$14 billion by 2014. New categories of advanced analytics will fuel the growth and merge into the core BI market, including business performance solutions, text analytics, predictive analytics, and complex event processing.

EXPERT RESPONSE FROM: William McKnight

How much has business intelligence penetrated the enterprise?

I would say we're still in early stages – business intelligence (BI) market growth has been reasonable but not explosive, and there is a long way to go.

How much business intelligence market growth can we expect in future years?

On a relative basis, the BI market is doing very well. Certainly, it's hard to argue BI will exist and provide increasing levels of business improvement to organizations for the foreseeable future.

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Investment

Firms have continued to invest in ERP implementation projects in 2009, both first-time ERP users and upgrades, focusing on a range of projects perceived as high value such as business intelligence, analytics, and industry-specific modules. With the economic downturn, firms have often proceeded with caution — and sought partners that were able to deliver fast time-to-value, high ROI, and innovative pricing and resource allocation models. Cost cutting measures and lower IT budgets were expected to contribute to longer sales cycle and more pricing pressure in 2009. Worldwide vertical market IT spending was a total of \$2.7 trillion in 2009.

Providers have invested significantly in aligning to these market needs — creating accelerators, tools, and templates that speed time-to-deployment and reduced implementation cost and risk. Providers also continued to drive pricing innovations, such as outcome-based pricing and predictable, fixed-fee engagements. For most ERP solution and services buyers, the key deciding factors were a combination of proposed approach and industry as well as functional expertise.

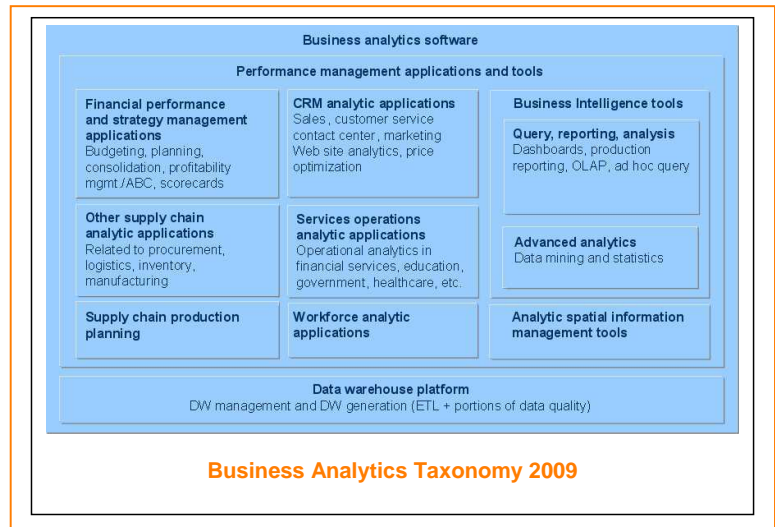
Business Intelligence is definitely an inevitable investment once the ERP solutions are mature and live. From a strategic investment and roadmap perspective, enterprises should consider involving BI experts in the initial stages.

Implementations by Verticals in India in 2009






Role of BI in Telecom:

Business Intelligence is now broadly used in telecommunication industry in HR, finance, sales/marketing, Operations etc. Its application is valuable in several ways:

- Enabled in building a strong sales and marketing strategy by understanding information on different perspectives like area, time and product. This in turns assisted in estimating revenue, volumes and margin of profit.
- Helped in categorizing customers into segments according to their behavior and demography that is most important for CRM. So companies were able to launch accurate marketing campaigns and improved ability to target new customers.
- Tracked the performance of campaign within a period of time that is essential for improving marketing skills.
- Continually monitored the behavioral changes of customer so that companies were immediately able to respond with adequate measures.



Five Technology Trends that Improved Business Intelligence Performance in 2009

- 
In-database
 Helped speed up data retrieval and analysis while also improving the security of corporate information
- 
In-memory analytics
 Analyzing data in memory helped reduce BI complexity and eliminated many of the performance bottlenecks faced by users.
- 
BI appliances
 BI appliances offered a lower total cost of ownership yet still provided high-performance access to BI data.
- 
Data virtualization
 Data virtualization simplified the process of integrating information from disparate sources and helped to improve data quality.
- 
Operational BI
 Enabled companies to more closely entwine data analysis with ongoing business operations.

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Business Intelligence in Retail

BI & its operational benefits:

Business Intelligence was significantly used in merchandising, marketing, logistics, store operations, and call center staffing etc. in which retailers adopted BI tools and software for analyzing operational data to maximize the rate on investment (ROI).

Merchandising – Retailers have exploited the utmost value of BI by analyzing the past performance, customer behavior and demand pattern that helps in pricing product for maximum profitability taking account of the seasonal demand change. Better data analysis maximized profit that also enabled in efficient use of manpower in all production sectors by minimizing any additional cost.

Marketing – This is the job to understand customer's behavior towards a particular product. Retailers studied market trends by dividing areas into different segments or categorizing product according to different groups of customers. This better-defined targeted campaign reduced operational cost but increased sales thereby revenue.

Operation – A better forecasting of any change in customer's demand lead to enhance productivity by managing product price, promotion and manpower.



Business Intelligence in Insurance

Business Intelligence (BI) in insurance helped

- Better management dealing sales force
- Marketing
- Improving actuarial and underwriting functions

Enhanced the ability to convert raw data into valuable information about:

- Customer
- Market
- Customer
- Competitor and overall business environment

Business Intelligence has proved to be beneficial in overall management including:

- Corporate
- HR
- Finance
- Asset

Asset and finance management deals with actuarial, underwriting functions, policy and customer claims. All these are important components in the business process and were done with proper calculation and analysis by using various BI tools. With a varied application from corporate management to CRM business intelligence is now one of the integral parts of the decision making process. After accessing data from various sources BI tools were used to find out the best customers, their requirements after analyzing data from various related fields.

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Business Intelligence in Hospitals:

Healthcare industry whether hospital or any pharmaceutical companies faced a lot amount of data flow that needed to be managed and that too in real-time like patient flow, emergency department, and maintaining and tracking all immediate events. For example, there were 10 patients in ED out of which 2 were for x-ray, 3 had pending labs and 5 were just admitted, so as soon as a bed became available, one patient was transferred immediately to vacate the Emergency room. But this required data based on our daily work process. So it became essential to maintain that information wirelessly or manually for managing work flow with updated information about patient treatment.

Hospital Business Intelligence information was made accessible to every staff member that made it much easier for rapid action. However, like any other enterprise health care also needed cross-organizational data gathering. For example, determining the number of patients suffered in a particular disease and a particular area, which helped in understanding the cause of outbreak and provided an analytical display image of real-time trends.

The above mentioned information was used for all employees including, doctors, nurses, and executives etc. to manage their day-to-day activities accordingly. However, BI is also useful in pharmaceutical and other healthcare fields.

Business Intelligence in Pharmaceutical Industry:

Pharmaceutical companies manufactured medical products according to requirements, which needed to have all information regarding medicine and all medical products. Companies first pointed out the product that was in demand for a particular disease and sought the assistance of physicians and professionals who prescribed the drugs. Here, the company wanted to collect as much information about these professionals with their specialties, preferred treatments, prescribing history etc. So they collected all these information from various sources either by their own sales representative or collected data from Internet. Therefore, they opted for Business Intelligence (BI) tools for generating a better information management environment for data analysis and decision-making.

Benefits

Implementing BI reduced the overall operating cost by decreasing the cost of:

- Medical professionals
- Lab and medical equipments
- Cost for specific medical operation

Better data management helped in better patient treatment in terms of:

- Timely admittance
- Diagnosis
- Reduced the risk of casualty

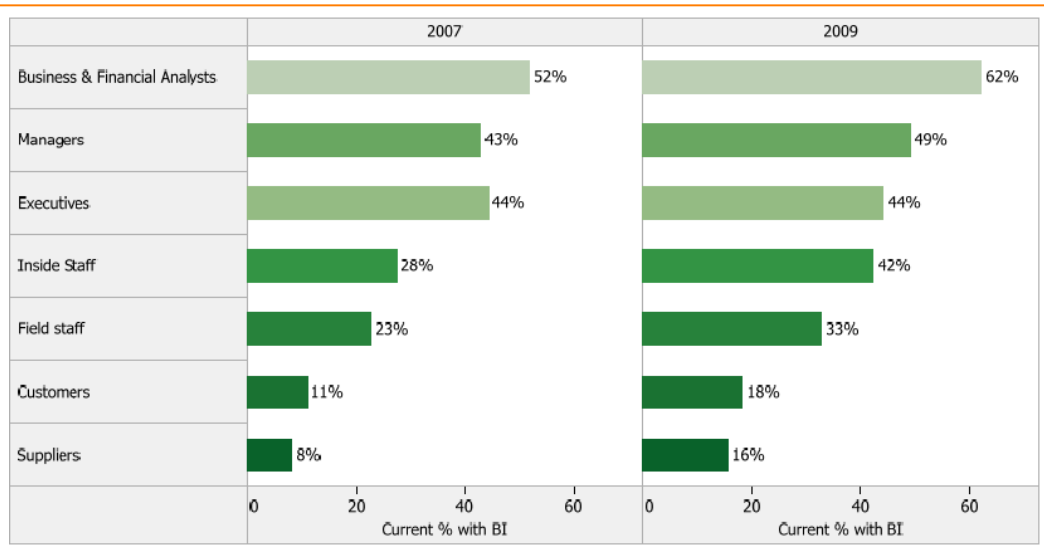
Data was managed to record and analyze the history of patient and statistics of a particular medical hazard based on area.



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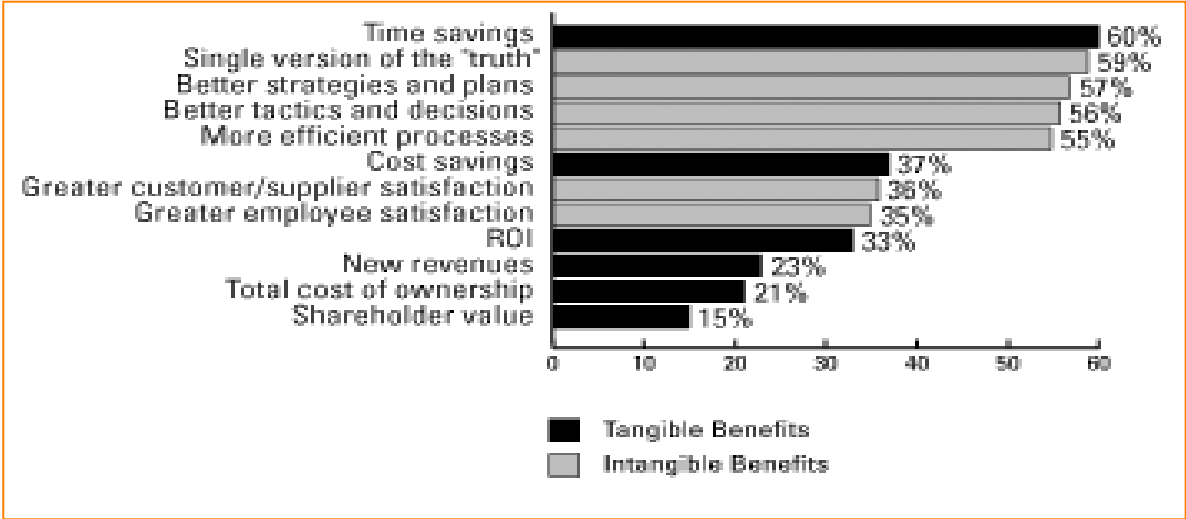
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Business Intelligence usage for certain end business user based segment has increased

Tangible and Intangible Benefits of Business Intelligence for companies in 2009



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Differences between the 2009 and 2006 BI Frameworks

The updated framework expands several aspects of our original 2006 framework based on three years of client interactions. The main differences are:

- **Terminology:** There can be confusion concerning the terms "BI," "analytics" and "PM" because there is so much overlap and codependency between them. This report describes their similarities, but also emphasizes the specific connotation of each term. BI refers to the general ability to organize, access and analyze information in order to learn and understand the business. This ability can be applied to specific business processes, decisions and subject area domains; this is analytics. Therefore, analytics can be thought of as applied BI. Note that the term analytics is usually preceded by a domain-specific modifier, such as website analytics or customer analytics. PM applications are a specific type of analytic application that implies the presence of a management workflow and a goal-setting exercise to define, monitor and optimize business objectives.
- **Analytics:** The new version of the framework explicitly included analytics along with BI and PM. BI, analytics and PM can each be undertaken as individual activities: it is possible to "do" analytics without BI or PM, to "do" PM without analytics or BI, and so on. The three elements often have significant overlaps in terms of people, processes, and tools and applications. The updated framework addresses the need to define the integration and alignment of the various components to get the best return on investment, and also helped users understand market terminology more clearly.
- **People and Process:** The updated framework added greater focus on the people and process aspects of a BI, analytics and PM strategy. The original framework treated them simplistically as a single layer. Experience and case studies have shown that people and processes need to be addressed at each level of the framework.
- **Integration:** This new iteration of the framework recognizes the need to integrate with other frameworks, and with the business process platform in particular. The updated framework adds metadata and service repositories for enabling this integration. The top layer of the framework, Business Strategy and Enterprise Metrics, provides transparency and alignment with other essential business frameworks and programs.
- **Heterogeneity:** BI, analytics and PM will exist in multiple initiatives, and use numerous tools and information infrastructure components, throughout an organization. This new and updated framework recognizes the need to strike a balance between homogeneous architectural standards (that provide consistency and efficiency) and the need to have a variety of tools, applications and information models that are appropriately aligned and integrated to serve a diverse set of requirements.

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