



5 Questions to answer
BEFORE selecting a Business Intelligence
Vendor

iQ for Business
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Executive Overview

Over the last decade, Business Intelligence (BI) has been at or near the top of the list of many executive and business users throughout the world. Organizations have made major investments to information technologies including CRM, ERP, and a slew of other transactional systems that run the operations of a department, division and subsidiaries. Organizations are sitting on mounds of data and are looking for ways to leverage the data for their business advantage. To transform raw data into meaningful and useful information enables more effective strategic, tactical, operational insights and decision-making.

With the recent expansion in the BI tools market, a selection strategy that integrates business requirements accurately is more important now than ever. This white paper explores five key elements of developing a strong BI vendor selection process, including the following topics:

- How to evaluate the present and future requirements of your users and organization
- How to assess a BI vendor's ability to truly access your critical data
- The real story behind Professional Services and Implementation fees from BI vendors
- Key questions you should ask your vendor references
- The right way to develop a proof of concept (POC) with a vendor

Introduction

Today, the wealth of BI tools available has expanded rapidly to assist organizations in easy, self-service access to information on a single infrastructure within heterogeneous environments. The true value of a BI solution lies in the insight it provides on business operations and the opportunities it creates for better decision making.

Understanding the business requirements for a BI project is crucial to the selection strategy that aims to align with the overall business objectives while addressing business users needs. Failure to integrate business requirements into the selection process can result in serious costs and project failure.

A recent survey on Business Intelligence revealed organizations that place greater emphasis on the vendor evaluation process tended to have a more successful completed project. These organizations also tend to place more importance on functionality.

Organizations will differ in terms of their BI decision support needs. Knowing this, below are five questions that have been designed to explore for consideration and identify steps in developing an effective Business Intelligence vendor selection to meet your organizations needs. Failure to integrate business requirements into the selection process can result in serious costs and project failure. These questions are not to be used as a substitute for conducting a more formal requirements document. They identify high-level topics that ought to be considered in order to obtain relevant requirements.

Question 1

How complete are the organization and user requirements and will the user needs change overtime?

Who to Ask: The User that needs access to the data.

When to Ask: The First day of the definition of the project.

Why ask?

The number one reason why BI projects fail is a lack of definition from the user needing access to the information. Those pursuing a BI strategy need to ensure that enough legwork has been conducted internally. This will provide a view to fully understand the scope of the challenges that the BI solution is supposed to help solve.

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An example may look something like this: ABC Company sales team is tired of the length of time it takes to receive sales reports and begins looking for a Business Intelligence solution to assist in the departmental level. They choose a vendor that specializes in sales dashboards and moves forward with that vendor. At the same time, the company Controller is evaluating financial reporting software capable of producing financial statements much easier than their current manual process. They find a vendor with specialty in financial reporting. Multiply these scenarios by numerous departments in an organization, this will result in paying several times over for multiple solutions that all do effectively the same thing.

A more cost effective scenario would be for the sales and financial staff, together, to scope the information requirements for the organization. Then a single solution would be implemented to provide the fast information retrieval for the sales staff and satisfy the financial reporting capabilities needed by the Controller. In addition, the solution may need to have the flexibility to deliver in other parts of the organization.

A major part of defining a BI project is to understand what information the company uses today and what additional access to information would be great to have in the future. Interviewing business users to learn what information they wish to access, will provide additional scope to a project and likely affect the vendor selection. Learning information requirements that have not changed for a decade would lead to an alternate vendor selection than if requirements change daily.



The requirements definition needs to address how the business users want to consume the data. For example, do they want information pushed out to them in an email everyday or do they want to login somewhere to get the information they need? Is integration with mobile devices and tablets needed? Does the solution integrate with tools that the organization may already be using such as Microsoft SharePoint? Understanding how business users want access to their data is the key to the vendor selection criteria. The ultimate determinant to a BI solution is the business user adoption and key stakeholder satisfaction. The “shelfware rule” is that a solution that does not address the business needs will never be adopted by the users.

This is not a suggestion to “boil the ocean” and try to solve all information issues in a single definition project, we would suggest exactly the opposite. However, a vendor selection that is too limited in scope dramatically increases the chances for failure. A balance must be struck between the immediate information needs and the flexibility to scale the solution going forward. There isn’t anything worse than having to change the completed solution to problem 1 in order to solve problems 2 through 10.

Developing and understanding an organization’s information roadmap is the first step to a successful project. Appended to this whitepaper is a BI Requirements Definition Project Sheet that an organization may use to ensure they address and answer internal BI needs prior to approaching a Business Intelligence vendor.

Question 2

Will this BI solution work to provide access to all of my data?

Who to Ask: The Vendor

When to Ask: Prior to the first Vendor demonstration.

Why you should ask:

Beyond understanding the user data requirements, one needs to understand where the data actually is stored. Is it in a single database or are there multiple databases each dedicated to an individual department or process? Are budgets and forecasts in excel or are they integrated into other legacy systems? Is a CRM tool being used and how is it being used? Where exactly is the data that the end users want to report on and analyze?

Ensuring that the BI vendor will be able to reach all the company information assets is vital to a successful BI project. Many BI software vendors offer reporting systems capable of pulling information from a single database source. Vendor selection needs to clearly have insight into the information required to better understand the scope of the organization information problems.

Not only should a BI tool work with the current data environment, but future changes should also be taken into consideration. As an example, one should ask if the organization considering a CRM system in the near future? Is the current ERP flexible enough to scale as the organization grows or will it outgrow the ERP in a few years? Organizations end up saving hundreds of thousands of dollars by selecting a flexible BI solution that works to report off of disparate data sources. Understanding what system changes may be introduced within the next 36-72 months and how those changes will affect the access to the information, needs to be considered. The end result would be a BI solution that handles the required data integration to produce "one version of the truth".



Question 3

Is a fixed price on Professional Services and Implementation offered as part of the solution?

Who to Ask: The Vendor

When to Ask: When the business users have narrowed the selection of vendors based on satisfied functionality requirements.

Why you should ask:

Many BI vendors today can be described as SVINO's (Software Vendors in Name Only). It is no secret that many vendors have become Service focused companies disguised as a software vendor.

Development costs for software is viewed as a one-time expense, and many software companies consider the software itself as having virtually no cost associated with it. Thus, they end up giving away the software in order to keep an open ended services ticket with the client. Low cost software paired with high priced services is a mark of poorly written software. While it may be tempting to say "I already own a BI solution that came with my ERP, we have to try and make this work prior to looking at a different BI solution." In these cases, organizations tend to over spend on the project; abandon the project, or both. Projects with an open ended professional services agreement are typically costly both from a licensing perspective and in terms of the resources needed to implement.

The vendor selection requirement should reflect a fixed price for implementation as part of the solution quote. If the vendor happens to provide an under-estimated value for the scope of implementation work, the vendor then should be responsible to absorb the extended expenses, not the organization buying the BI solution.

If the vendor does not offer fixed service pricing with the scope of work, the vendor should be avoided. While this will usually narrow the pool of BI vendors to choose from, history has shown, companies that have experience in other non-fixed service solution implementations ended up with results of hidden costs, going over budget and missing the project completion date.

Question 4

How quickly will the BI solution be up and running?

Who to Ask: The Vendor & Vendor's References

When to Ask: Final stage

Why you should ask:

The speed to deliver a working BI solution to the defined specification is a key differentiator among BI solution providers. As an example, if ABC Company is able to determine that the expected Return on Investment (ROI) of a BI solution implementation would take 6 months to achieve, meaning it is expected that after the 6 months the software is has paid for itself and subsequent business improvements will go straight to the bottom line. We will assume that ABC Company has determined two of the vendors evaluated seemingly are able to deliver virtually identical solutions. Vendor A is able to implement in 2 weeks and Vendor B requires 3 months to complete the implementation. While the 2 ½ months difference might seem insignificant, the reality is, Vendor B solution is preventing the ABC Company from realizing a ROI for almost an entire quarter.

A more practical example is this; Say a manufacturer has invested in opening a new manufacturing plant. The market is established and ready for their products, distribution channels are established and everything is in place to take the products to market. This manufacturer is provided a choice between opening the plant in two weeks where the organization will begin to recover from the ROI or wait to open in 3 months to effectively delay the ROI with the same result. Why would the manufacturer wait?

Business Intelligence projects should not be any different. If a company has clear defined information requirements and finds multiple vendors that deliver the functionality, the decision should then move to how quickly the BI implementation will be complete. The implementation is now the key differentiator in selecting a vendor. It should go without saying, the agreed upon time of delivery needs to be outlined in the purchase agreement. However, getting a written commitment to a time frame is only the first step. Speaking with existing customer references will validate their experiences with the vendor of time frame for completion. Customer references are a critical part of any BI purchasing decision.

In the end, unless a scoped project is outlined with a time frame that is agreed upon, documented and verified, the project's chance for failure dramatically increases.



Question 5

Are there any fees associated with the Proof of Concept?

Who to Ask: The Vendor

When to Ask: When the business users have narrowed the selection of vendors based on satisfied functionality requirements.

Why you should ask:

Few would consider buying business intelligence software without experiencing the BI solution using their own company data in their environment. Today, most vendors offer a proof of concept (POC) using the client's actual data, however, identifying a vendor without fees associated with the proof of concept is nearly impossible.

Why is this? The demand for information over the past decade has increased at such a rapid pace; organizations have sometimes opted to skip actually seeing the tool work with their data prior to the purchase. Organizations have become so desperate to receive the access to data they have not been able to reach, that in the demonstration stage they easily become influenced by the ease of using a dashboard interfaces. By taking the steps to a complete a Proof of Concept, it will ensure the business users will have the data access they require in their environment. Think of the POC as an insurance policy that validates the expected functionality does indeed meet the user's satisfaction before a final sign off. This is definitely the most important step in making a vendor selection and well worth the effort.

Be wary if a vendor requires payment to prove that their software works in your environment. If a POC requires too many resources to complete without payment, then either the vendor is hurting financially, or the vendor does not want their prospective buyers to fully understand how much work it actually takes to implement their solution.

Summary

The right BI solution must provide business decision makers with the information needed to obtain operational and strategic business objectives. Many believe that choosing a vendor with the most name recognition will provide the optimal value. However, well known does not always mean it will be the good solution for a particular organization. Name recognition does usually come with a heavier price tag. Organizations should look for a solution that best suits the particular decision support needs of the business, and a clean track record.

About iQ for Business

iQ for Business offers the most comprehensive and easy to use Reporting & Analytics available today. The company provides pre-built BI solutions for 25+ ERP systems including Microsoft Dynamics AX/GP/NAV/SL/CRM where these solutions are easily modified to fit any business environment. iQ for Business removes reporting responsibilities from the IT department and delivers Dashboards and Reporting to business decision makers throughout the organization to access, wherever they are.

iQ4bis is a complete business intelligence software solution that enables business managers and executives across all levels of an organization with the power and flexibility to ask and answer their own questions based upon a clear view of up-to-date operational data. These business users are able to solve specific business problems with current data and share the knowledge and analysis among individuals, groups and throughout an organization.

Contact iQ for Business to schedule a no charge proof of concept using your organizations data!

BI Requirements Definition Project Sheet

The information gained from answering the below questions should be used to create a list of requirements to identify the most suitable BI solution for the organization. The aim is to produce a shortlist of candidates by weeding out vendors that do not meet the core business requirements. This will assist in developing a BI Definition Requirements Document to further differentiate vendors and select the best-fit vendor for the organization.

Data Sources

1. What are the information systems and data sources used by the organization?
2. What database platforms are used?
3. Do you intend to access multiple data sources?

BI Project

4. What is the allocated budget and timeline for a BI project?
5. Is there a projected date of completion to have a live BI solution?
6. What is the primary objective of this BI project?
7. What are some of the tools used in the past by business users and would they recommend?
8. Who are the intended business users of this BI solution? How many users per each department?
 - Sales -
 - Finance -
 - Manufacturing -
 - Operations -
 - Inventory -
 - Marketing -
 - Other -
9. What are the key performance indicators for their roles?
10. How are the requirements being addressed today?
11. What are the primary data challenges the organization is faced with today?
12. Are there any additional companies/subsidiaries/divisions that may need the need to satisfy later?

General questions

13. To what extent does the IT organization standardize on platforms and applications(Microsoft, Oracle, etc)?
14. Does your organization use any collaboration tools such as the Microsoft SharePoint Portal? If so, how is it used and to what extent?
15. Does the BI application need to integrate with these tools or any other data sources?
16. Does the organization have the relevant skill set in the IT department?
17. How is the IT organization able handle support the business users?
18. What are some of IT challenges in supporting the business user?
19. How often does the business users need refresh of data? Are they needed real time, hourly, daily, weekly, monthly, etc?
20. In terms of reporting and analysis; what capabilities would the business user like that is not available today?