WHITE PAPER

Legacy BI: The greatest risk you face as a CDO?

BUSINESS INTELLIGENCE

It's a digital age, and modern users expect fast, easy-to-deploy business intelligence (BI) tools. Older BI systems can't keep up with the breakneck pace of today's business landscape. Numerous risks entailed with staying shackled to legacy BI include data silos, reporting chaos, and data integrity erosion.

Forward-thinking chief data officers (CDOs) have already discovered, and leading analysts agree, that the expense of continuing with legacy BI is greater than the cost of making a change.

Legacy BI can't keep up

When it comes to business intelligence, the struggle is classic: Centralized IT is concerned with data governance, whereas users want the freedom to run the business. Moreover, the speed of business has accelerated. Decisions are made quickly and with heavy reliance on data. To keep up with the pace of the modern business landscape, users expect on-demand intelligence.

Considering these needs, abandoning your existing BI tools and processes may seem risky. Not only have you invested time, energy, and money into a BI system that works for your business, but you've also applied strong governance structures around it.

> **"By 2020, organizations that offer users access to a curated catalog of internal and external data will derive twice as much business value from analytics investments as those that do not."**
>
> Gartner, Magic Quadrant for Analytics and Business Intelligence Platforms, 26 Feb. 2018

However, it can be cumbersome to keep these processes running for the long haul. Think about it: Your legacy platform was cutting-edge twenty years ago—but also twenty years ago, Amazon was founded, the Yahoo.com and eBay.com domain names were registered, Google's predecessor was in its early inception; and Facebook, iPhones, and PCs as we know them didn't exist. In two decades, speed and agility in personal technology have become a standard, not a preference. Enterprise users expect the same speed and agility from their BI, and they'll get it with you or without you. While alternative paths may look risky, the greatest risk would be to stay shackled to the slow, expensive monolith of legacy BI.

The business will move forward without you

Across the value chain, speed and agility are paramount. It's no longer the sales and marketing teams that can be dismissed for their short attention spans. Operations planning is impacted by commodity price fluctuations; manufacturing bills of material depend on thousands of components with varying lead times; even human resources is seeing a younger workforce with high rates of churn.

A legacy platform cannot support this pace. The old process of spending one quarter collecting business requirements and two more quarters developing reports is a cycle that, in many cases, exceeds the tenure of an executive. The business has to keep running while IT builds data models. So, the business finds its own way, with shadow analytics and brute force Excel models, which are prone to error. When more time is being spent reconciling reports than running the business, leadership looks to external sources for department-level solutions.

> **"While the early crop of CDOs was focused on data governance, data quality and regulatory drivers, today's CDOs are now also delivering tangible business value, and enabling a data-driven culture."**
>
> Gartner news release, Gartner Survey Finds Chief Data Officers Are Delivering Business Impact and Enabling Digital Transformation, Dec. 6, 2017

Characteristics of next-generation BI

- **Automation**: Reduce manual design, build and operations
- **Agility**: Leverage local data with global governance; reduce IT backlogs
- **Adaptive user experience**: Allow consumers of information to become producers of intelligence; provide open access to third-party clients
- **Modern architecture**: Accelerate time to value, reduce TCO and decrease risk with multi-tenant cloud architecture
- **Virtualization**: Stand up a network of decentralized virtual BI instances across a common analytic fabric; provide collaboration across centralized and de-centralized groups
- **Governance**: Enable trusted collaboration at scale with a common and reusable semantic layer

Leading users down the path of data silos and reporting chaos

In the last ten years, myriad desktop discovery tools have entered the market that support analytic capabilities without significant IT involvement. Your business units have most likely made investments of this nature. Marketing has one solution; supply chain picked one up; sales deployed yet another—each one a unique instance, divorced from central data. In a short amount of time, a landscape of analytic silos are delivering their own reports, moving farther away from the original data source.

Because business users value speed over accuracy, they will deploy lightweight de-centralized solutions with compelling graphics and dashboards. However, a beautifully displayed number that lacks accuracy can do considerable damage. In the best case, arguments ensue over what should be basic inputs; at worst, incorrect numbers are driving major business decisions.

Compromised data integrity undermines the office of the CDO

As Chief Data Officer, you must set the standard for analytics leadership. You understand the central data strategy and can install governance over what will otherwise devolve into department-level data silos. These disparate solutions drive up the total cost of ownership with independent evaluation cycles and integration requirements—adding unwelcome burden to corporate IT, while also relegating it to a non-strategic role.

Moreover, as data integrity erodes, who's left accountable? You are—the CDO. Through growth and acquisition, duplicate data sources have arisen with redundant product codes and category overlap. To cope, business functional groups and regions implement stand-alone BI solutions, and metrics lose consistent meaning. Who will reconcile the output from these reporting solutions when supply chain and sales can't agree on the forecast?

When the business spends its time arguing over numbers, it can't move onto planning and execution. The CDO is responsible for data strategy across the organization. If it takes six months of manual effort to add up global revenue numbers, you have failed to deliver.

The competition will out-execute you

Leading industry analysts are no longer talking about whether a shift away from legacy BI will occur, but have labeled the topic case closed. Gartner, Forrester, and McKinsey unanimously agree that the BI space has fundamentally been redefined, and the traditional approach supported by legacy BI platforms is inadequate.

This conclusion isn't a projected trend or roadmap consideration for the future. It's happening today. Forward-thinking CDOs have already embraced the shift in BI, and analysts are merely reporting it.

You're throwing good money after bad

The cost to continue maintaining a legacy environment is greater than the cost of making a switch. Legacy companies that audit which users view a report versus which users touch a report are trying to squeeze money from a dying market.

Next-generation BI success story

A global consumer products company* with operations in 78 countries—each with unique point-of-sale and data systems—struggled to reach a total view of the business. Lack of common reporting left the marketing and sales departments without reliable sell-in/sell-out visibility and analytics. They considered bypassing IT and began evaluating self-service reporting tools.

The Information Systems Director wanted to maintain control of data management centrally but knew that he had to demonstrate value greater than what discovery tools delivered. He also had to respond quickly. By choosing a leading next-generation BI solution, each decentralized market region may require a specific report or dashboard, but the data remains centrally managed, so the regions don't spend time reconciling conflicting data and metrics. Business users are thrilled that they can stop arguing over numbers and concentrate on strategy and execution.

*Case study described here is based on a real implementation of Infor Birst®.

When contemplating a new license investment, you must focus not just on upfront license and implementation prices, but also on time-to-value and ongoing FTE requirements.

In business intelligence, the greatest resource drain is in the building of data stores to corral ever-increasing data complexity and volumes. Next-generation BI flips traditional warehousing on its head by leveraging the logical model to create the physical model, allowing for speed and governance, because the physical data reflects the business definition of the data—not vice versa. In many cases, because of subscription pricing, you can replace your legacy BI environment with minimal-to-no capital expenditure and remain operating-expense neutral.

Opportunity knocks

You stand at an inflection point.

You have the opportunity to drive a data-driven culture. Abolish the bottleneck of IT reporting, and free up your resources to focus on leading-edge projects that deliver value. Meanwhile, empower your end users with self-service analytics, so they can run the business.

Will you continue to spend money maintaining a system that delivers limited value, or invest that same money in a modern BI environment? With next-generation BI, you reconcile the demands of data governance and end-user satisfaction. Don't risk failure by standing still.

Companies with next-generation BI will out-execute competitors; the risk to a CDO who ignores this shift is that they will be left behind.

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641 Avenue of the Americas, New York, NY 10011

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