VELARIS

BUSINESS INTELLIGENCE COMPETENCY CENTERS (BICC)

The Catalyst for Business Information Excellence

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– Howard Dresner
Former Gartner analyst and leading BI thought leader

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ORGANIZATIONS WITH A BICC

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– Survey conducted by BetterManagment.com

Executive Summary

After decades of investing in technology to automate business processes, companies today improve operational costs and competitive advantage by using Business Intelligence (BI) to access and leverage the wealth of data hidden in their corporate systems. According to annual surveys of CIOs worldwide conducted by Gartner EXP (Gartner Executive Programs), BI has been the number one technology priority for companies in each of the last three years.[1]

BI implementations in most organizations however are fragmented, without enterprise-level planning or an enterprise-level mandate, which impacts BI value and the full realization of "Business Information Excellence." This in turn has ignited interest in "BI Governance" and in creating an enterprise "BI Competency Center" to manage BI investments, technology alignment with corporate business strategy, resources, project priorities, implementation risks, and ongoing support services.

The ascent to Business Information Excellence through the establishment of a BI Competency Center (BICC) varies by organization, creating unique sets of questions and challenges:

- **You are considering a BICC.** Do you know how to start?

- **Your BICC is in progress.** Are you taking all of the right steps and heading in the right direction?

- **Your BICC is firmly established.** What BI services will help you sustain success?

Answers to these questions are the topics of discussion herein and are based on more than 15 years of experience in the selection, implementation and effective use of BI in leading organizations across industry sectors. Whether establishing or enhancing a BICC, the concepts and insights shared will help to adjust or confirm thinking about how to proceed for coordinated BI excellence throughout your organization.

Enabling the Enterprise for Business Intelligence Excellence

In recent years, IT discipline around Business Intelligence (BI) has enabled companies to assemble vast amounts of collected data and refine it into valuable information. Like many newer business processes, BI in most organizations has been approached without enterprise-level planning or an enterprise-level mandate. As the use of Business Intelligence matures and evolves however, leading organizations that are seeking to gain competitive advantage and efficiency in this area are establishing an internal Business Intelligence Competency Center (BICC) to manage their evolution.

Within a BICC, a team of experts works together with IT and management to organize and develop an enterprise-wide BI strategy. With the completed strategy in place, this group is then tasked to manage and support the effort on an on-going basis.

With proper planning, an effective BICC acts as a central hub through which all organizational BI initiatives unite and thrive in the face of rapid business and IT innovation. The BICC provides access to relevant information and best practices while successfully assembling people, strategy, process, architecture and software for the benefit of the whole.

The concept of the BICC is relatively new. Challenges faced by early adopters in implementing these centers have included everything from a lack of business strategy continuity and thought leadership to poor governance and user adoption. An insufficiently planned and managed BICC initiative can go adrift as technology and organizational environments rapidly change. What once seemed productive and cutting edge can become dated, fragmented, expensive, and unmanageable.

Despite these challenges, a comprehensive and well executed BI strategy has proven to be an enabler for increasing market share and shareholder equity. Organizations that have successfully established BICCs have seen an increased ROI in the form of improved performance through BI excellence. A survey of BI professionals worldwide conducted by SAS shows that 72 percent of organizations reporting a high level of information maturity exceeded their previous years' performance as opposed to 48 percent of organizations reporting a low-information maturity. [2]

According to SAS, there is more to improved Business Intelligence performance than simply deploying technologies:

Organizations need a comprehensive, strategic approach to designing, implementing, managing, tracking and supporting BI initiatives. Lacking that framework, the organization could end up with a patchwork of good intentions but no meaningful enterprise wide intelligence.

To address these obstacles, a growing number of organizations are creating a Business Intelligence Competency Center (BICC) — a center of excellence that plans and prioritizes broad BI initiatives, manages and supports those initiatives, and promotes broader use of BI throughout the organization through application design, user training and technical support.[2]

The steps and organizational requirements for establishing a BICC are various and can be complex. Planning and customization are key in order to dynamically establish a BICC that meets the collective and unique needs of the organization. The following case studies illustrate examples of the unique approaches that have been developed to support a Competency Center rollout.

CASE STUDY: BICC Under Consideration

A LARGE, MULTI-NATIONAL CONGLOMERATE is in significant growth mode. Their primary growth strategy however is acquisition abroad. In assessing their ability to produce integrated reporting, dashboards and scorecards between and among divisions and global regions, it became apparent that a centralized Business Intelligence Competency Center (BICC) is necessary to manage enterprise business performance effectively and efficiently across the world on a 24-hour basis.

This suggested BICC approach was presented to the executive team but no consensus was reached. The company has been accustomed to years of decentralized Business Intelligence authority. Each business unit and facilities in most countries already operate with a BI tool of their choosing. The executive team fears that the complexities and costs of integrating its expansive operations into a new, centralized, BI environment and the associated issues of change management

and end-user acceptance will, at least in the short term, outweigh the financial and competitive benefits of enterprise transformation to standardized processes for information access, analysis and reporting.

This corporation ranks towards the bottom of its industry in most measures outside of total revenue growth, such as net profit in proportion to sales, customer satisfaction, employee health and safety, environmental protection, and sustainability reporting. Acquired businesses are not delivering the expected benefits and growth in shareholder value. Without an efficient platform for enterprise-wide BI performance excellence, the case can be made that the poor corporate performance and rankings directly result from an inability to access mission-critical financial and operational information at the same pace as their peers. Despite a lack of consensus on this issue, they are still actively considering a BICC in order to help close this gap.

CASE STUDY: BICC in Progress

A LEADING HEALTH CARE INSTITUTION used BI software from multiple vendors for more than 12 years with minimal support from IT. An internal audit revealed that software license accountability was lacking. Software licenses were purchased when new employees and contractors were added without determining if existing licenses could be redeployed. Additionally, in the absence of governance and preferred development standards, developers built poorly constructed and high-maintenance code that led to server performance issues and missed service level agreements. Lastly, one of the two primary vendors was eliminating support on an older version of their software and an upgrade was going to be necessary in order to stay current for future support.

These events prompted senior management to take a serious look at

their investments in BI software and the lack of consistent information excellence across their enterprise. After internal discovery sessions, they made the decision to consolidate on two BI platforms. They chose two because various business lines have different needs and the tools chosen aligned with those needs.

After forming a BICC around one of the BI software platforms, they began work on license utilization optimization to improve ROI opportunities, and on defining governance and standards for applications development and training. To validate their efforts, brand their BICC, and roll out a communication plan to their user community, they engaged a BI-focused consulting firm to work with them through each step of the process in order to meet end-user support requirements in a timely, cost-efficient, and effective manner.

CASE STUDY: BICC Next-Generation

A LARGE SERVICES ORGANIZATION made a strategic decision to consolidate on one BI platform in order to achieve information consistency and excellence across business functions. They initially established a BICC in order to facilitate the selection and integration of the BI software and to develop the resulting best practices enterprise-wide. They identified team members, assigned responsibilities, choose a leader, allocated budget and selected a name for their BICC. The BICC inventoried all BI software that was being used and, after assessing which had best met their needs in the past and which was best positioned to grow with them in the future, selected the one, preferred platform.

Since then, the BICC has been responsible for establishing a common environment to support thousands of users on the latest version of the BI software and has been working with a BI-focused consulting firm to

provide thought leadership and integration support. To ensure that the software is used in a similar manner across the organization, a standard training curriculum was established to support both casual users and power users. Hundreds of users underwent multi-day classroom training sessions, and applications development guidelines were identified and published to a common repository for sharing and reuse between units. Each operating unit is now responsible for working with the BICC and leveraging the consulting firm to get their reports, dashboards and scorecards compliant with the new internal guidelines and mandates. The BICC recently began an internal communication campaign to highlight their accomplishments and, more importantly, to provide a roadmap for the direction ahead.

Establishing a World-Class
Business Intelligence Competency Center

As the case studies shown on page 3 demonstrate, BICCs come in a variety of shapes and sizes. Prior to the formation of a BICC, it is important to survey the organization's stakeholders to determine readiness by asking some basic questions:

- **Does the organization possess a climate of readiness for enterprise BI?**

- **What is the quality-level of enterprise-wide data and is there integration potential?**

- **Are consistent data definitions currently in use across the organization?**

- **Do employees possess relevant analytical skills to warrant a broader BI commitment?**

- **Are there qualified leaders and available resources in place to guide and support a BICC?**

- **Is there a business commitment from Executive Management to drive this forward?**

If the answers are positive to the majority of these questions, a rollout plan can begin to be considered. Before a cohesive BICC plan can be formed however, executive sponsorship must be secured. Like any enterprise-wide effort, a BICC requires C-level support from the start. Some organizations initially delegate responsibility and accountability for BI initiatives solely to IT departments. If an organization is going to take the next step and establish a Competency Center however, it is essential that business leaders are involved and informed every step of the way, providing detailed information that clearly communicates current and future business objectives.

With executive sponsorship in place, a BICC Team Leader should be named to provide leadership, experience and vision. At least three other key leadership roles are recommended: A Lead Data Analyst to drive the technical aspects of BI (data quality, integrity, ETL, etc.); a Business Process Leader who ensures that the broader BI environment functions as expected and who drives the design and implementation of BI projects; and a Project Management Leader to schedule and track project costs and trends.

Once these key leaders have been established, a cross-functional operating team committed to the purpose and success of the BICC, can then be formed. Membership should represent all key stakeholders in the BI excellence mission and should come from all participating departments and operating functions. The team should include software experts, hardware experts, process leaders, end-users, C-level and line management representatives, and others as defined by the specific needs of the organization. The team can also include non-employees (consultants or contractors) who have a particular expertise that is required for the team to be effective.

With the initial launch of the BICC and the development of operating tenets that have been communicated throughout the organization, the BICC team will become abuzz with activity. Regular meetings will generate a wealth of ideas and information, and an effective BI Team Leader will keep the members on task and on track.

This formative time for the BICC is critical, as any enterprise-wide effort of this scale needs to be driven by a methodology and a governance model that clearly details the roles and responsibilities of all resources involved before additional financial and human resources are applied. The BI governance model identifies enterprise BI policy and the operating structure to align BI strategy with corporate business goals according to clearly defined standards, best practices, and decision making authority. It should also address all issues related to BI project priorities, efficient project execution, and change management to ensure optimal business value.

Larger BICCs can include product managers, internal communicators, application designers, warehouse consultants, license administrators, statisticians, and training consultants.[3] BI governance leadership must come with C-level support, typically the CIO and CFO working with business unit executives. The size of the organization and the diversity of its Business Intelligence requirements will ultimately determine the structure of its BICC and its governance model.

Establishing a successful BICC begins with proper planning and implementation. A BICC strategy that takes a measured, well-managed approach is more likely to succeed and gain wider support from key stakeholders, as well as reap the substantial financial benefits associated with Business Intelligence excellence. In an October 2007 Q&A with the *Computer Business Review*, former Gartner analyst and leading BI thought leader Howard Dresner, stresses the importance of establishing a world-class BICC:

"So much of BI is implemented at a departmental level or by IT as 'self service' reporting. Neither of these approaches will deliver BI in a strategic and comprehensive way. One approach that can help is the establishment of a competency center or center of excellence to establish and promote uniform best practices for BI and EPM within an organization."[4]

Overview of BICC Functions and Responsibilities

Figure 1 shows the basic areas of responsibility associated with a Business Intelligence Competency Center. The starting point of Strategic Services seeks to align BI selection, deployment, expansion, or migration with enterprise goals to avoid pitfalls such as those described by Betsy Burton, Vice President and Distinguished Analyst at Gartner. According to Burton, "Due to a lack of a cohesive strategy, many organizations have created multiple, uncoordinated and tactical BI implementations, which has resulted in silos of technology, skills, processes, and people."
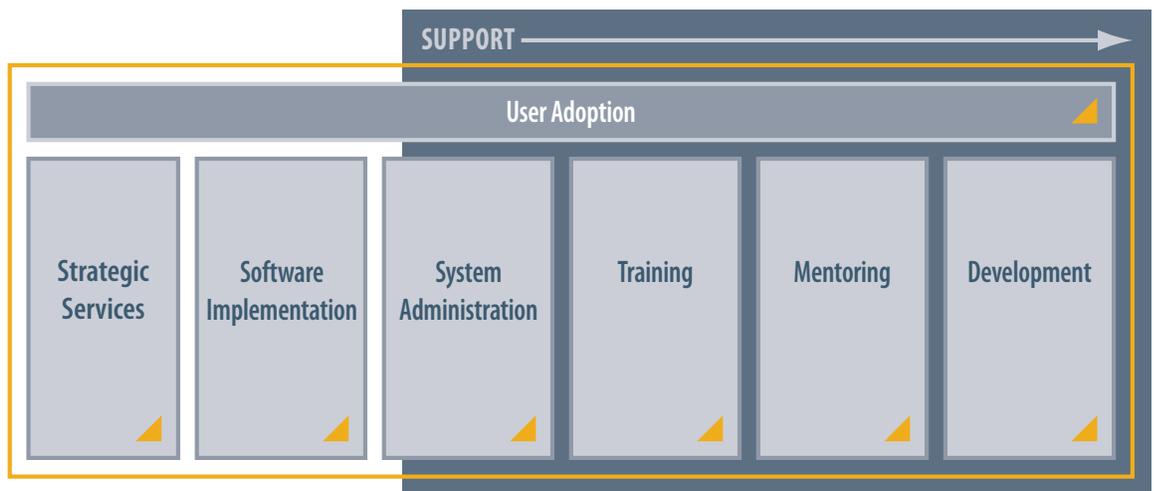

SUPPORT					
User Adoption					
Strategic Services	Software Implementation	System Administration	Training	Mentoring	Development

Figure 1. The Responsibilities of a BICC

STRATEGIC SERVICES.

Objectives review
Assessment of current state vs. future state
Roadmap for BI product selection
Internal rollout plan

STRATEGIC SERVICES. Through a BICC's Strategic Services function, the BICC team should identify all efficiency opportunities and conduct a formal needs assessment of the enterprise's comprehensive Business Intelligence requirements in order to formulate the best "go-forward" strategy. When the assessment is complete and the BI strategy is defined, the BI software selection is made from a list of current providers or from a new vendor altogether. An internal rollout plan is then identified based upon criteria such as greatest need, most pain, and highest value. The rollout plan, which includes a resource analysis, can then be used as an internal marketing document to help promote the BICC concept, get buy in, and initiate the change management process that will follow.

Installation Guide/Run Books
Integration with authentication systems
Installations and migrations
Configuration optimization

SOFTWARE IMPLEMENTATION. With the selection and delivery of the Business Intelligence software, the installation/migration process can now occur. Installation guides and run books should be acquired and prepared for system administrators. The installation process should be integrated with authentication procedures to ensure that unauthorized personnel do not change code or templates. Migrations may be necessary to upgrade functionality, provide better security, or allow for data co-locations, as needed. Configuration optimization needs to be considered for best end-user performance.

RBAC security model groups
Publishing and scheduling guidelines
Performance health checks
Outsourced BI systems administration

SYSTEM ADMINISTRATION. A group-centric Roll-Based Access Control (RBAC) security model should be designed to ensure data security, administrative authority, and end-user validation. Scheduling guidelines need to be distributed as needed. Performance health checks through network analysis should be scheduled to assure good connectivity and strong bandwidth. Outsourced BI system administration might be worth examining at this point because co-location often lessens maintenance, can improve disaster prevention and recovery, and can often be provided more affordably and more effectively than on-site support.

User communities curricula needs
Course development
Training rollout plan
Course delivery

TRAINING. User training is often underestimated as a critical path item in a BICC rollout. No matter how complete, powerful and fast the software and computing environments are, success is measured by how efficient end users are in gaining access to the information. A cohesive user-community curriculum needs to be prepared, and formal lesson plans developed. A training rollout plan should be published and course delivery expectations clearly defined. A best practices recommendation here is to ensure that all training is customized with organization-specific data for greater acceptance and retention.

Developer 1-on-1 guidance
Best practice guidelines
Internal user group sponsorship
BI Competency Center (BICC) support

MENTORING. Mentoring is often used to reinforce training and increase time-to-value within the user community. Developers often require small group support in order to ramp-up on new a new BI platform or new features of an existing BI solution. Mentors can be experienced internal resources or may be external resources initially for those organizations that are moving to a new platform. Often internal mentors are experienced in the best practices of both the technology and the business of the users. Mentoring can be done one-on-one or effectively in small groups with similar interests.

Requirements gathering
Dashboards and scorecards
Strategic reports
Operational reports

DEVELOPMENT. Developers require constant feedback with team members to ensure that identified requirements are being met. Dashboards and scorecards can be developed to keep management in the know. Strategic and operational reports are the lifeblood of the organization and will need to be built, adapted, and updated as required. One of the primary efficiency benefits of a BICC is the potential for setting and sharing development standards and sharing development frameworks over time between operating units of the organization.

Strategic services, software implementations, system administration, training, mentoring, and development form the core operating responsibilities of a BICC. These operating functions combined with best practices and productive BI partnerships provide the ideal environment for an organization to reap the benefits of business intelligence information excellence.

Multiple Business Benefits of a Successful BICC

Complex planning and resource dedication of this nature can seem daunting, but the benefits far outweigh the effort involved. With the introduction and development of a successful BICC, the focus shifts in most organizations from a reactive approach to a proactive, results-oriented approach. End-users have consistent real-time information they can see and touch. They can track key performance indicators, drill to detail for real-time analysis, and initiate knowledge exchange with other departments, employees, managers, partners, analysts, clients, and suppliers. Employees have a consistent feedback mechanism for identifying priority needs in improving information delivery. Alerts can be automated so that business leaders gain mission-critical information about their business operations on a daily basis.

Templates can be shared and deployed throughout the organization via a central repository that is created for all reporting activity. This leverages developmental investments that have been made to date and focuses the emphasis on deployment. Vendor and business partner communication and collaboration improve as they become exposed to organizational standards and norms. Customers benefit from the resulting value-add that comes with the intelligent collaboration and dissemination of data.

BICC specialists leverage negotiations with software vendors to secure favorable terms on software purchases, installations, support, and upgrades. They analyze and manage software licensing requirements for the entire organization, often resulting in user licensing reductions and a more efficient use of budgetary resources.

As part of a Business Intelligence survey conducted by BetterManagement.com, organizations *with a BICC* cited the following significant benefits:

- **Increased usage of Business Intelligence (74 percent).**
- **Increased business user satisfaction (48 percent).**
- **Better understanding of the value of BI (45 percent)**
- **Increased decision-making speed (45 percent).**
- **Decreased staff costs (26 percent).**
- **Decreased software costs (24 percent).**[5]

With the proper support and a climate of readiness, any organization can implement an effective and productive Business Intelligence hub, reaping all the benefits a BICC can bring.

Selecting the Right BICC Partner

Although the benefits are many, BICCs are dynamic journeys and not static destinations. Senior management needs to maintain long-term support for this effort and never lose sight of the significant hard and soft dollar benefits to the business. The BICC should be branded with an identity that is unique within the organization and a communication plan should be developed to support the branding effort. It is important to offer both incentives and recognition through each of the steps in the process in order to create a cohesive team and build momentum internally.

A successful BICC will mature over time and remain committed to the organization's current and future BI success. For consistent and best results, the BICC team will need to stay aligned with the most recent industry information, innovative methodologies and current best practices. Many organizations will form partnerships with Business Intelligence consulting firms that specialize in supporting Business Intelligence Competency Centers through a Center for Excellence delivery model in order to stay current and add complementary services to the overall BICC effort (see Figure 2).

With a large number of BI consulting firms to choose from, it is hard to know which one is the most qualified to partner with in the role of a BICC expert. A vendor that works with only one specific software platform lacks objectivity. A vendor that claims expertise in multiple IT disciplines outside of the realm of BI lacks focus (and in all likelihood the full range of competencies to support a BICC). A better option is to select a consulting firm that is dedicated to BI exclusively, and works and partners with a variety of BI software platform providers. This type of firm can objectively analyze and recommend the software solution that most appropriately aligns to defined organizational requirements.

When evaluating consulting firms to be your BICC partner, you will want to look for an honest appraisal of your current and future technical requirements and overall organizational readiness. You do not want a sales pitch touting a single software solution, or a vendor that has never worked with an organization in establishing a BICC and does not fully understand the complexities involved. It is important to make sure that your consulting partner has experience with BICC development in many types of environments, and has expertise with each aspect of the Center of Excellence delivery model from strategic to tactical planning and execution. Choose a firm that is willing to identify knowledge transfer as a primary goal—an effective BICC consulting partner should be committed from the start to help lead your company towards greater BI independence. Your selected vendor will need the industry maturity and shared vision to be versatile, flexible, specialized, unbiased, and a true business partner in this process.
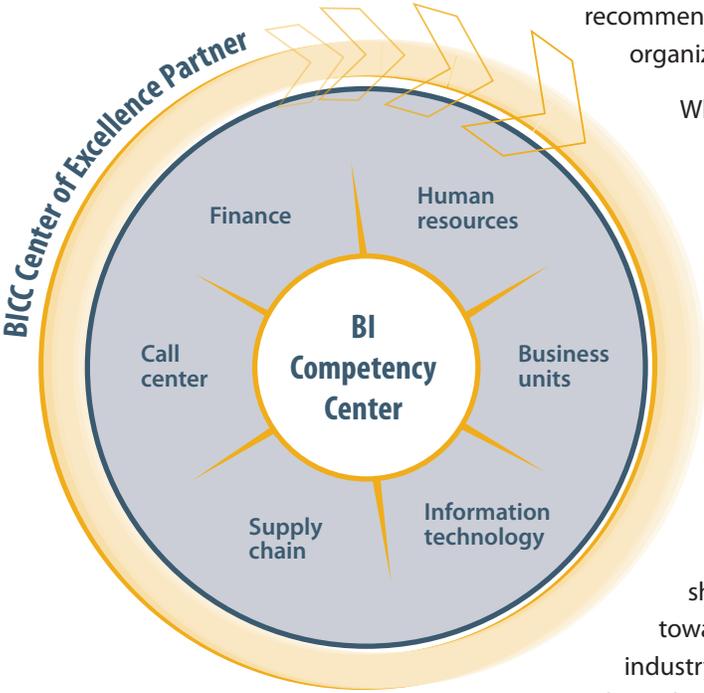

Figure 2. An effective BICC acts as a central hub through which all company Business Intelligence operations unite. A BICC partner, savvy in the Center of Excellence Model, can provide needed support.

Attaining Business Information Excellence

As Business Intelligence continues to mature, the BICC becomes increasingly critical as the catalyst for coordinating the integration, analysis, reporting, and availability of business information enterprise-wide. BICC benefits are substantial in both hard and soft dollars across the business and IT functions. Organizations seeking to establish a BICC (or increase the effectiveness of an existing BICC) for consistent, long-term and higher BI value should begin with these fundamental requirements for excellence:

- **C-level leadership and long-term vision**
- **Honest evaluations of BI's current and future states of focus, utilization, customization, and business value within the organization**
- **Proper BICC planning, alignment, and management**
- **Sound and enforceable enterprise BI policy and governance**
- **Prudent choices of BI technology, tools ,and consulting partners**

A BICC rollout or enhancement using The Center of Excellence delivery model, coupled with the complementary services of an effective BICC consulting partner, will help to ensure a dynamic and eventually self-dependent company epicenter committed to successfully creating enterprise information excellence and higher business value on a continuing basis.

This white paper incorporates viewpoints from industry experts who have planned, selected, implemented and supported BI solutions for commercial, government and institutional clients worldwide. All strongly believe in a Center of Excellence (COE) approach to BI deployment, which follows an accepted body of knowledge on the subject area, as well as the highest standards and current best practices in related activities.

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From selecting a BI software provider to improving ROI on an existing BI initiative, Velaris provides the spectrum of strategic consulting services that drives Business Intelligence project and program excellence. Our advantages to organizations in planning, implementing, or upgrading their BI capabilities are unparalleled expertise, comprehensive delivery offerings, and fast time to value.