

IT Analysis – Musings on the Future: Is Business Intelligence an Oxymoron?

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All of a sudden, business intelligence is back on the agenda, and many technology vendors are jumping on this as the next money-making technology bandwagon. Yet many of these same vendors seem to confuse data reporting with business intelligence—providing a set of templated reports against an engine that works against highly defined data stores to provide snapshots of what the business looked like when the data was verifiably valid.

Surely this is not what businesses want or need these days? A business' success is not particularly predicated on the past—it is increasingly determined by the present and the future. Business intelligence needs to have a mixture of capabilities—to be able to aggregate data sources, pick up on common events and patterns, report on these in near- or real-time, and provide a degree of forwards looking analysis as to what is likely to happen to the business in the future.

Historically, any capability for this has been constrained by the existing infrastructure—a mish-mash of siloed applications, with differing standards (or a complete lack of them) has made it difficult or near impossible to report against all the necessary information without going through complex and expensive data aggregation and transformations first. The lack of BI capability could not really be laid at the doors of those who tried to create BI solutions—it was far more the outcome of divergent evolution of infrastructures, of operating systems and of application 'standards'.

But now, we have companies moving forwards—slowly, admittedly, but inexorably. Virtualisation of storage means that federated access to the various data stores is now possible. Standardisation of databases is there—so we can gain access to real data across many sources at the same time. We shouldn't need to work on the data and then store it in an intermediate data warehouse or data mart/cube any longer—in the majority of cases, we can work against the source itself.

But, compute resource for real-time data analysis is still not there. Although our research shows that grid computing is on the rise, full data analysis of complex environments still takes hours or days. Do we need to have full data analysis, though? Probably not in all cases—the majority of business reporting is still against a static date, for example, quarterly earnings, end of sales period performance and so on. In many other cases, however, we are looking for indications of

where the business is going—true business intelligence tools can help us to rapidly rule out certain paths as they are divergent to where we want to go, and we can then concentrate our on-going data analysis on those paths that are convergent to the desired end result. We can play “what ifs”, where we can take small steps forwards into possible futures and see what impact specific steps would have on the direction of paths—and then if any of those steps do happen in the real world, we can cull any of the analyses we are carrying out that we now know will be divergent.

Sure, we still need to report on historical data—how well did the company do in the last quarter? Did it meet its KPIs? Was the company compliant against its legal requirements? But increasingly, all of this will not be enough. What use is it in finding out through business reporting that the company did badly, if we needed to take steps during that period to get back on track? What's the point of finding out that we were not compliant 2 months ago —we can't retrospectively make ourselves compliant.

The present is what we can learn from to ensure that the future works for the company. We need to have as near to real time business intelligence as we can get. We also need BI to be mainstream—available to as many people as possible, and this means that we need to see commoditisation at the price level.

Currently, the likes of Cognos, Business Objects and SAS Institute aim their full products at those who specifically 'do' business reporting/intelligence. The problem often is that these people are rarely the ones who make the business decisions, and that those who really need the tools commonly do not have access to them and if they do find them a little impenetrable. Microsoft may be looking to change this somewhat at the commodity reporting side with the release of Office 12—the business reporting capabilities within here are pretty strong—but Microsoft will need to provide good wizards to help people understand them, and to move away from the usability issues and techie image of the likes of pivot tables in Excel. But, will Office 12 offer BI? There's a lot of useful new functionality here that will give more power to the mainstream, but it will still need to be bolstered by higher-level plays from other vendors.

However, if Microsoft does get the reporting and BI capabilities of Office 12 even partially right, we could be seeing some serious pressure being placed on general business reporting tools—and this will then put

pressure on the high-end business intelligence market. The need will be for business portals that a business person can actually use, that provide drill down and drill up on information, that use live data sources, that provide event management against trending analysis—but all drivable by the user without the need to call in the business analysts and the techies, and at a cost that makes the tooling available to as many people as possible. That a lot of these capabilities are already available on the market is a given—that they are

priced wrongly, and that the usability is poor unfortunately tends also to be a given.

2006 is probably a little early for us to see mass movement into commoditised BI—it's probably a 2007 phenomenon—however, for those looking at business reporting and business intelligence, it may well be worthwhile bearing in mind what the future may bring, and ensure that decisions made now aim towards the probable future.

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