IBM WHITE GLOVE EVENTS

Moderator: Tim O'Brien
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There will be a question and answer session after the formal comments. You may submit questions electronically throughout today's presentation, using the question and answer feature on the Web. To do so, you will first need exit full screen view by pressing the "Escape" key on your keyboard. Select the question and answer option located at the left of your screen under "Meeting Features." Then simply type your question into the area provided and submit.

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Again, today's session is being recorded. We will pause for a moment to initialize the recording. Please stand by.

We would like to welcome everyone to today's Web event titled, "Getting More out of BI – Go Deep." At this time, it is my pleasure to turn the floor over to Mr. Tim O'Brien. Mr. O'Brien, you have the floor.

Tim O'Brien: Thank you and welcome, everyone, to this installment of the BI strategies monthly Webcast. My name is Tim O'Brien, and I'll be the host of this Webcast today. The subject of today's Webcast is "Getting More out of BI – Go Deep," and this is the fifth installment in this series that we've delivered to you on six tactics to leveraging your existing BI infrastructure.

Before I pass the microphone over to Dave Kasabian from the Pervasive Performance group, who'll be delivering the main part of this Webcast, I just wanted to briefly give you all an update on the IBM Cognos Innovation Center and some of the activity we're seeing from our global customer community.

As most of you know, the Innovation Center is a membership-based community, consisting of IBM customers. We've got over 6,000 customers that are part of the IBM Cognos Innovation Center. We also partner with about 25 different third party thought leaders across the practices within business analytics, business intelligence, and performance management, and those practice areas around planning, budgeting and forecasting, strategy management and scorecarding, financial consolidation and reporting, reporting and analysis, and practices such as that, including business analytics.

We offer our membership a great deal of insights into business analytics, not only business side best practices, but we offer research studies, surveys, live workshops, Webcasts such as the one you're participating in today. We also produce a monthly newsletter and calendar of events. We've got online benchmarking tools and a number of other great things available to our community.

In reference to those live workshops we deliver, one of those is around best practices and forecasting, specifically featuring the rolling forecast. And these are just some of the cities we're coming to in the very near future. In this workshop, we talk about a lot of things around forecasting and planning and budgeting.

But we get into real specifics about how to implement not only forecasting ideology, but a rolling forecast ideology. And these are the six best practice

areas that we get into great detail, so that we can give you all actionable insights that you can take back to your office and begin utilizing immediately.

We also do a strategy execution workshop. These are again some of the cities coming in the very near future, and we get into these different best practice areas and adopting a strategy execution framework in your organization – of course peppering in customer success stories, and even customer challenges, and some could say even failures, so that you can learn from the mistakes others have made, so that you can avoid them in your deployment of that kind of a practice area.

We also deliver the performance management experience, which is a great way to get an understanding of the power of performance management and business intelligence and business analytic solutions, when they can give you answers to those three questions around these – this particular solution stack – which is, "How are we doing today? Are we above or are we below our targets? Then why?"

You want to be able to drill through in context, and then once you've understood why you're doing how you're doing, good or bad or neutral, then you want to be able to influence the future – typically through what-if analysis – through planning, budgeting, and forecasting solutions.

And we get into that kind of detail in this workshop, which is great, because you're not only being put in an executive level perspective to make the top line strategic decisions through these solutions, but you're also put into different roles – whether it's sitting in a particular geography and making sales tactic decisions, or sitting in corporate and making overall resource-based decisions across different functions, if you will. So a great workshop to really try and understand what the power of these solutions can do for your organization.

We also host a number of Webcasts each month, one of which you're a part of today. And then most importantly, we've got an IBM Cognos Innovation Center widget, which brings all of this information I've been talking to you

about over the past couple of minutes – it brings them to you through this multimedia application that can sit on your laptop or PC.

It sits in the background, and it allows you to filter by live events, by Webcasts, by performance blueprints as well, which we deliver to our membership, which are prebuilt data process and policy models that reflect a solution based on different practices, like workforce planning, like capital planning, like store operations planning, if you're thinking of the retail industry. There's over 50 blueprints out there now, and you can access them through this little portal-like solution – our widget.

We've also got a LinkedIn group, an online community, and a Twitter account, which we tweet every now and then, when there's something interesting to communicate to our membership. So I encourage you all to go out and get that at IBM dot com forward slash Cognos forward slash innovation dash center.

Just real quickly, I think we'll all agree the business climate has changed. The world's gotten smarter, it's gotten flatter, the speed of business – the velocity has only increased exponentially, and we're making smarter decisions than we've ever made before. There's more information out there. We're more instrumented and connected, but it's all in how we garner and, in a way, harness all of this information so that we can make smarter decisions based on all of this additional information we have access to.

And we're seeing organizations focus on three key areas – which is focusing on value and exploiting opportunities and acting with speed. And in these workshops again, we get into details of each one of these areas that you can see up there, and certainly this Webcast isn't the right time to get into that, but I at least wanted to give you visibility into it.

And one of the things that I think we'll agree that the economy has really changed – the global economy. And the days in the 19th and better part of the 20th century, where an industrial-based, raw material based, manufacturing economy – where – let me bring those components up to fill out that slide there – where it was very easy to understand the value of your business. You

had your raw materials, and you had your finished product. And that pretty much made up your market value.

But according to a Brookings study in – beginning in 1982 all the way through to 2006, these figures here are based on the market value of S&P 500 companies over this period of time. And you can see in 1982 the large percentage of value of those companies is based on tangible value and clearly decreasing over time, such that in 2006 only 10 percent of the market value of these companies are based on tangible value.

The rest of it is based on intangibles. And these are some of those intangibles that you think of when you talk about intangible value of a company. And I think what comes out of that is that a lot of these intangibles are based on the individuals you have in your organization, and ensuring – to steal a phrase from Jim Collins – you have the right people on the bus, the right people are off the bus, and people are sitting in the right seats as well.

And in order to accomplish this – let's go to the next level – is we want to be making better decisions to drive, monitor, and understand our business. And when you can do that – when you get the right information to the right people – it's easy to consume, it's reliable, it's on target – better decisions result. And if it's not – well, bad decisions are going to result, and clearly that's going to impact performance.

And I think the difference is from Jim – the time Jim Collins authored the book, "Good to Great," where he gives the bus analogy, the business climate has changed, such that you're not really on a bus any more. In fact, you're all in different jets within a squadron. And the key is to keep that squadron aligned.

And think of each individual jet as its own decision maker within the same organization – that you want to ensure is not only aligned with the other jets, if you will, but also is able to make decisions on their own to run their part of the business, to drive their quote-unquote jet to the appropriate place, or be in the right spot that they need to be in.

And what else is changed is that we're no longer landing on a fixed platform. We're landing on a moving target. So business is clearly changed, and through IBM solutions across business analytics and our other information stacks, if you can take trusted information – starting with that ground zero point – you can translate that into actionable insights and informed decisions, and what results from that is optimized performance.

So I gave you all a pretty quick explanation of business analytics, business intelligence, performance management – but I at least wanted to give you a sense of what that means when we talk about business analytics. And essentially, it's really answering these three questions – what's happening out there, are we on target or are we off target, and that is through measuring and monitoring – typically KPIs.

And once you've understood if you're on target or off target, then you want to be able to drill through and understand why. Through context, you want to be able to do that. You want to – don't want to log in and out of different applications and databases to get that information. You want it all on a single platform.

And then finally, you want to be able to answer that last question, but – which is, "What is likely to happen," and typically accomplish through predictive and analytic tools – like our SPSS solution or through planning, budgeting, and forecasting solutions – to influence the future.

So thank you all for your time, and I'd like to now transfer the mike over to Dave Kasabian from the Pervasive Performance group, to be talking to you guys about the primary subject for this Webcast, which is, "Go Deep with Your Enterprise BI." Dave, you have the floor.

Dave Kasabian: OK. Thank you, Tim. And as Tim mentioned, we've been doing this compilation of Webcasts over the past six to eight months, and one of my focuses at that performance – Pervasive Performance group – is how to take performance management and BI wider and deeper into the organization. And so that's what we've been focusing on in this Webinar series. And as a – as Tim said, today's topic is going to be "Going Deep."

So in – for the agenda today, I want – I'll give a quick overview of the Webinar series, why we came up with this series, and what the purpose of the series is. I'll then summarize quickly some of the previous Webcasts for you – those of you that did not attend them, and several of those are available in replay as well.

And then finally, I will talk about the main topic, which is "Going Deep," within – with BI into the organization, and how that can expand the value of BI, how it can reduce deployment costs, and how it can reduce resource consumption around BI. OK. And then we'll summarize it, and then I'll throw it back to Tim for question and answer. OK?

So the Webinar series and goals really was around – Tim came to me almost a year ago and was talking about the economic conditions and how that was impacting BI, and so what we came up with was a Webinar series on how to expand BI even during difficult economic times and what the funding challenges that we would face during that would be, and how we could create a community around discussing that and have these types of Webinars to stimulate that kind of discussion.

And really, it was around keeping BI momentum going during a difficult economy. And that's really what the focus of the Webinar series was. That's what Tim asked me to come up with. And really, the overall scope of it was squeezing more value out of our BI investments. How do we do that? How do we get more out of what we have?

Certainly we – there are times when we want to be able to invest more, but we also want to be able to get more out of the investments we've made. So based on that, we came up with six different tactics, as Tim mentioned earlier. And the first one was "ROI, ROI, ROI." And that one talked about how do we develop an ROI story around business intelligence.

Another one was "Thinking Globally, Acting Locally." Certainly we need to have a global strategy around BI, but we also have to think about executing locally and getting value locally, in order to drive value out of it.

The third one was "Reduce, Recycle, and Re-use." How do we take what we have for BI and use that more widely across the organization? How do we take things that are typically used in one area and recycle them into other areas, to be more efficient in how we deploy it?

Another one was "Be Real." And that one we have not done yet. That's called – that's about being realistic with the scope of BI, both from an IT perspective and from an organizational perspective.

And then today's session, which is "Go Deep," which is taking BI deeper into the organization. And the final one will be "Embracing the Changing Champion," and how the champion of BI has changed over the last several years, and how important it is to embrace that new and changing champion.

So a quick summary of some of the Webcasts that have already happened – we did the kickoff, talking about the six tactics. We did the ROI one, which, as Tim mentioned earlier, broke down between tangible and intangible ROI, and how to monetize the intangible ROI and 10 steps to doing that.

We did the "Think Globally, Act Locally" one and talked about the silo approach versus the big bang approach to deploying BI – the pros and cons of each of those – and 10 steps to thinking globally and acting locally.

And we've done "Recycle, Reduce, and Reuse." So all of these Webcasts have been done, and white papers are written about each one of these topics as well. And most of those are available on the Innovation Center Web site at this time.

But I wanted to get into what is going deep, and why do we want to go deep. Going deep is really about expanding existing deployments of BI in the organization and taking them deeper into the user community and doing that by using existing technologies.

Now, there are – there are situations where you're going to want to go out and buy brand new technologies for BI, but there are also a lot of opportunities to use existing technologies and deploy those further down into the organization. And if you're able to do that, you're going to be able to use existing resources

not only from a technology perspective, but from a internal skill set perspective and also service provider perspective.

Because those skills in those service providers are already in house, working with those existing technologies, you can leverage those to take it further down into the organization.

But why do we want to go deep? Well, this statistic that you see here is – was done by the Aberdeen Group in a paper called, "The Business Value of Pervasive BI," which was published last May, and I think the telling thing here is that when they evaluated over – almost 300 respondents, they evaluated best-in-class BI organizations against average and against laggards.

And what they found was that 24 – there was a 24 percent growth in operating margins of companies that were considered best in class in BI versus the laggards, who showed a 20 percent – 27 percent decrease in operating margins. Now, can you create a true correlation between BI and those numbers? No, you can't. But you can see that there does seem to be some evidence that the best-in-class ones tended to have better operating margins.

But what does that have to be – to do with going deeper into the organization? Well, the reality is that as part of that survey, they also found that best-in-class organizations deploy – were deploying BI out to over 60 percent of their workforce, whereas the industry average was 25 percent. So going deeper into the organization seems to have an impact on becoming best in class around BI. And then if we – if we want to take that leap to the operating margin statistic, we can see that going deep can actually – could have an impact on your operating margins.

Again, I think that – you know, it may be a stretch to correlate that directly. But certainly, there is – there does seem to be a correlation between going deeper into the organization and being best in class in BI.

So with that, I wanted to do our first survey question. And – you know, we talked about best-in-class organizations deploying to over 60 percent of their workforce. Wanted to get an idea from the participants here what percentage you think your organization deploys BI into the organization. Certainly you're

not going to have a fixed number, a set number, but really a range based on your organization – where you think your organization falls.

And it's – I'd really appreciate honesty here, because I think that this is a – always an interesting statistic, to see where people fall. And while you – you know, may want to say you're best in class, this information's not going anywhere, so honesty counts. OK?

So why don't we give that just another second, and then we'll close it out. OK? And so – interestingly, the majority of people are in the 5 to 10 percent category. And the interesting part about that is the – more than 75 percent is very few. We actually have a pretty good sized number of people that are in that 50 to 75 percent category, which I think is great, because that means that they are at or close to best in class in BI deployment.

The thing I would say here also is that in that Aberdeen study, they considered laggards to be organizations that were at a – at or around 9 or 10 percent. So people that are in that 5 to 10 percent category here would be considered laggards, and – you know, that's not necessarily a bad thing, in the sense that what that does show you is that you have room for improvement.

So if you are – you know, in that "less than 5 percent" or that "5 to 10 percent" category, the good – the good news there is there is a lot of room for improvement to go up towards the best in class.

So the key thing for us here is to figure out how we're going to do that. So one of the things to think about is where should you – where should you be thinking about deploying deeper into the organization. And the statistic I'm showing here was from Cindi Howson, who is a longtime BI expert who has written several books. She runs the BIScorecard.

And she did a survey – this was back in 2007 – about how BI was being deployed. And the interesting thing here is that – you know, if you look at business executives, financial analysts and managers, the deployment rate was pretty high, relatively. And then if you start looking at inside staff and field staff – the people that are – you know, more worker level, both in the field or

in the back office – the usage was much less. And then as you get out to external users like customers and suppliers, it was very low.

So it was really this area here that was kind of ripe for growth. As I said, this was done in 2007. She's done a similar survey in 2009, and for the inside staff and the field staff, those numbers have actually grown 10 percent. So – oh, just over the last three years, we've seen a market growth in deployment to that level of employee, whereas for business analysts and executives and managers, the growth has been minimal.

So what it seems like is that that has been an area of focus over the last couple of years. And I think there's a couple drivers of that. I think from a vendor perspective, the vendors have really tapped into the fact that that's where their growth opportunity is. So they've started to target that type of user more so in how they're developing and deploying their solutions.

And that has reduced the complexity of the usage model for some of those less technical people. And so that's allowed the growth factor to happen there. So what that does say is that over the last few years, there's been a great opportunity to expand the staff level usage, and a lot of companies have done that. But I think there's also still a lot of room there for other companies to embrace that area as a – as an area for growth.

And – because even with that growth, what we've found is that several different analyst firms have done studies on what percentage of usage is being used over the entire organization, and most of those vary from – anywhere from 20 to 25 percent of total usage. So the room for growth is still significant there.

And what I think the – this statistic changing over the last three years tells us is that the technology has caught up with the ability – with the ability to involve more users in the BI process.

So how do we do that? How do we go deeper? I think the first thing is really about making it easier. As I said, I think the vendors have done their share – their part in trying to make BI easier from a product perspective, and now I think it's time internally for us to think about how we're going to leverage that

– you know, because a lot of organizations that have had BI deployed for several years, when they deployed it, it was more targeted at the financial analyst power user type of user. And – you know, the scope has changed to some extent.

So we need to take a look back at who's using it and how they're using it, because we need to think about usability over complexity. Complexity works really well for a power user type, but usability becomes more of a – of a driver for a casual user. And I have the iPhone up there for a particular reason, and that's because if you think about the technology, technology is usually targeted at early adopters.

But when it's applied in a way that makes it easy is when it's – becomes ubiquitous and drives a whole new market. And that's really what happened with the iPhone. You know, we – the iPhone created a market for personal devices that the BlackBerry couldn't tap into. So the BlackBerry – if you think about it, the BlackBerry is more targeted at the power e-mailer – somebody who can – you know, can thumb – you know, 100 words a minute – versus the iPhone, which is much more around the user experience – how do I use it during my day to make things easier for myself.

And I think that's a way that we need – we need to look at BI. I think you can make that same analogy about BI, that traditionally it's been – it's been targeted at that power user, and we need to start thinking about how we're going to target it at other users – because the reality is that analysis isn't for everybody.

You know, we do talk a lot about predictive analytics these days – the advances in predictive analytics in the last few years are significant and have a lot of value. But we also have to realize that analysis isn't for everyone.

In a lot of cases – you know, the manager level and the field level people are looking for something that's going to be pushed to them. They're not looking necessarily to do analysis as part of their daily job. They want to know when things happen so that they can then investigate it. And if you push something to them, they will likely do the investigation. But if you leave it them to have

to instigate the investigation, that's when they start to not adopt the technology.

And then also making it self-service – being able to provide them with something that then they can manipulate, based on their needs and be able to do their analysis from a starting point. It becomes very important from a couple of perspectives. One is the ease of use aspect of that. The other is that as we deploy BI to more and more users, it's important for them to become more self-service, or we're going to have backlogs in supporting them and building reports for them. We need to make it more self-service in order for us to really take it as deep as we want to take it.

And another reason for self-service is that from that same Aberdeen study that I referenced earlier, they found that 96 percent of the best in class do deliver BI in a self-service manner – so that they are enabling their users to develop their own output from BI. And I think that's an important statistic, because that shows that those leaders in BI are deploying it out to 60 percent of their users, which is world class.

But they're also – they're doing it in a way that's self-service to a vast majority – 96 percent of them are enabling their users to manage some of that process, and not putting all the burden of that on IT.

Another way to think about how do we go deep is, "Be the ball, Danny." And for those of you that aren't familiar with "Caddyshack," I apologize for the analogy here. But basically what happened here was Chevy Chase in "Caddyshack" was trying to teach somebody to play golf really well. And what he did is he blindfolded himself and said, "Danny, you need to be the ball."

And what he meant by that is you need to put yourself in the perspective of what you're doing and who you're doing it for. So I think an analogy to BI here would be that we need to – if we're going to take it deeper into the organization, we need to really be the ball and be the end user and think about how they do things, not how they're – it's not how we can deploy technology

to them, but it's how we can deploy technology that helps them do things better – and be able to do it faster, easier, better.

And those – that type of philosophy is something that a lot of organizations have embraced, but there are others still that need to think about it that way. So we need to be able to really put ourselves in their shoes and tailor the experience to the user versus tailoring the user to the technology. And that becomes an important part of adoption lower into the field, because they need to think that this is going to be something that's going to make my job easier, and if it doesn't make their job easier, it's not going to be something that they're going to embrace.

The other thing to keep in mind here is in a lot of cases, they don't know what they don't know. And what I mean by that is they don't know what BI can deliver to them. They don't know what BI will do to make their jobs easier. So part of it is changing the way that we think about doing requirements gathering.

And the way we should be thinking about it is moving from a philosophy of gathering requirements towards discussing the potential of BI with the users. Here are the things that some people do with this. Here's how it's used versus just saying, "What do you want to do," so that they start thinking outside of their box about the different things that they could do, and not just replicating the processes that they already do. I mean, I think that's an important aspect of driving further adoption.

And it – and it comes down to, again, building that – building it around the way they do things. And one of the things that tends to work well in that type of requirements definition is asking "why" five times. So if they tell you they do something, ask them why they do it. Ask them what that impacts. And then do that five times, and you'll get to the real reason that they're doing these things. And sometimes that will result in doing it a different way that's more effective and where the technology can actually help them do it more effectively. And when you approach requirements definition that way, you tend to get a lot more buy-in from the user community.

And the – and the thing to keep in mind here also is that as you get further and further down into the user community, performance becomes more and more important. As a power user, when you're doing something very sophisticated – some sophisticated calculation or allocation or et cetera – you know, if it takes a little while to do, you understand that it's very complex and that it's going to take – you know, a half a minute to calculate this, but I know what's going on in the background, and I know how hard this would be to do. I'll wait.

But when we get into end users, they expect things to be really fast. So in – from an – from these more casual users, it's more – much more important to think about less is more, as long as it's fast. So they would get – they will accept less, as long as you can deliver it to them more quickly. So making sure really there is that you don't force sophistication and complexity on those types of users, because it's not something that they want.

Another way to go deeper is to reuse. Now, for those of you who were on the previous Webcast, the whole – that whole Webcast was about "Recycle, Reduce, and Reuse," and I've stolen this slide from that. And I think it's important – it's a nice analogy, because that's exactly what we need to do with BI. We need to think about what we can reuse.

And one of the things that we can reuse is data and reports. So it's important to really inventory what we have from a data perspective, and focusing on data that's clean, is accepted as being accurate, and the outputs of – from that data – how it's being used, what the outputs are we're creating – so that we can then start to reuse that, deeper into the organization.

So an example would be for data – you know, we have customer data. And in a lot of cases, the customer data is vetted, is accepted as being accurate, and that type of data could be used – you know, it's certainly used in CRM, but it can – it's also – be used by the marketing organization, it can – used by customer support, sales, finance – are all consuming that type of data. So being able to make that data available in an easy to use interface to those types of organizations – you can get that to be deployed further down into those organizations.

So it's taking something that already exists and looking at a way to repackage it so that it is appealing and useful to more users in those organizations that are actually already using it – and here you really need to think outside the box, because you could also do that by reusing this information outside of the organization.

So for instance, manufacturing data could be provided to partners for the products they're selling, so that you could start to track – they could start to track where goods are in the supply chain, what their on time performance is – and they could start to monitor their own performance, based on the data that you're providing to them. And this may be – you know, data that's already being used internally but is not – is not quote-unquote confidential – that you could provide to some of your service partners and providers to improve their performance.

And you could do that without having to recreate that data and revet that data. It's data that already exists. It's already being used, but you're finding a new – a new way for new users to consume it.

You know, as we do this, there are always hurdles we're going to run into, and this picture usually gets a groan when I – when I bring it up. But I do – I do do it for a reason. This is a – is a steeplechase racer from Austria named Guenther Weidlinger, which I'm probably mispronouncing. But he ran head first into this hurdle in a race in 2007.

And he was shaken up a little bit, but he was not seriously hurt. But that the key point about this is that he regrouped, and just last year he set the Austrian record for a marathon that would – had stood for 23 years. So he ran into – he ran into a hurdle face first and didn't let that – he let it bother him for a little while, but he got up, he dusted himself off, and he moved on. And he got over that hurdle.

And I think that's the same thing we need to do with BI. We are going to run into hurdles as we try to go deeper in the organization, but we need to be able to get up, dust ourselves off, and move forward.

The first hurdle that I think we're going to run into is resources. There – I've said in previous Webcasts in this series that you should inventory your resources. And one of the reasons for this is that you tend to find, if you look across the entire organization, that you may have more resources – not only from a technology perspective, but from a skills perspective – you may have more resources than you think that you do in the organization. So by inventorying the resources, you may be able to get – not past this hurdle, but you may be able to reduce this hurdle of being short on resources to take BI deeper into the organization.

Another one is training. Without proper training, even though we're – a lot of my discussion has been about making this easier for users. Certainly there is always training that's involved. So one of the challenges that we find a lot of organizations have in trying to go deeper is not having the ability or the resources to train people, and therefore, they get frustrated with it, and they don't use it.

One of the things I would say here in order to reduce the need for training is to try to make these things as easy to use and as self-service as possible, reducing the need for training significantly. Now, it will never go away. It's a – it's a hurdle that will be there, but there are some ways to – by making these things easier, by going with Web-based training – that you can make that training burden a little bit less.

Another one is complexity. You know, when we think about pushing down further into the organization, we really need to reduce some of the complexity that we typically have deployed in BI. Again, for the power users, we don't need to do that. There will be certain casual users that will want some level of complexity.

But – you know, if we're going to push a statistical modeling or analysis tool down to an operations person – you know, the level of adoption we're going to get and usage we're going to get from that would be significantly different than if we were to push them down a dashboard that they could look at and would have their key data compiled into one place that then they could do

analysis from. It's just a different interface. It's a different level of complexity, and it creates a different level of adoption.

You – another burden is past failures. Some organizations have had challenging BI deployments that didn't go well. One of the things to think about here is – you know, just being aware of this, looking at your BI history, seeing where some of these failures have happened, what some of the reasons for them were, and addressing those reasons as part of this new deployment. And that gives – you know, if people have a bad taste in their mouth about past BI, you can point to the fact that you understand what those failures were and that you've taken actions to fix those.

And then finally is shelfware. There tends to be a lot of shelfware when it comes to BI. Recent estimates are that 20 percent or so of BI licenses go unused. So what you want to – what you – you want to try to avoid that in your deployments. But you also want to look at it as an opportunity that if you do have shelfware, you may be able to deploy further into the organization without much of an incremental cost.

So what you want to be able to do is find out why it's not being used so that you can move that shelfware to software by finding out why it wasn't – why it – why it was purchased, and then why it wasn't deployed in the first place.

So with that I wanted to jump over to the second survey question that we had. I wanted to get an idea from participants here what their biggest barrier is to going deep in their organizations. You know, we'll give people a few seconds to answer that question. It's an interesting one, because I've seen this one jump all over the board. So – as I've asked this to different people – so I'm interested to see what the responses are here. Se we'll just give that just a couple of more seconds, and then we'll close it out.

OK. And let's see what we have. OK, so the biggest one was resources – so "challenged for resources" at 39 percent, and the second one is "past failures." The interesting thing here is that shelfware is not one for anybody. So while statistics say that 20 percent of BI goes undeployed, certainly in our audience, that doesn't seem to be the case. OK.

So I'm right around 10 minutes to go here, so I wanted to wrap up with nine steps for going deeper with BI. And this is not certainly set in stone. I think each organization will have different ways to do this, but this gives you a kind of a framework that you could use to think about how I can – how I can go deeper with BI. Oops. Sorry.

So the first one is to inventory. So think about where you're using BI, what functional areas are you using it in, in support of what processes are they using it, how much shelfware do you have. And certainly in our sample here, it doesn't sound like much. And what skills are used – and at what utilization are they being used. So that that gives you an idea of your landscape with existing BI.

And then evaluate. How deeply – once you know where it's being deployed – what functional areas – how deeply is it being deployed in those areas, and importantly, what types of users are using it. Are they power users? Are they just data consumers? Are they casual users? What types of users are using it, and what types of users are not using it. That's one of the key answers. That's going to help you understand how I can take this deeper by understanding who's not using it.

And are we – in our deployment, are we best in class? Are we worst in class? As I said – you know, the kind of the laggards are in that 10 percent range. The best in class are in that 60 percent range. So it can give you – you can kind of evaluate yourself as to where you are.

And then extrapolate. Based on where you are, what kind of a potential does that give you for improvement. You know, where can I expand, what percentage could I expand – and take – how far – how much deeper could I take that into the organization. And then educate the organization on what's available in the organization – what others are doing with BI, how others are taking it deeper into the organization.

And then it also may involve as an extrapolation building specific value propositions around different processes or different user groups, so that we're not just taking one value proposition around deeper BI. We're building

specific value propositions for specific areas that we're going to drill deeper into.

And then relate. And the – and that comes down to the "Caddyshack" example I used – getting inside the heads of the users of where it's deployed. So in – getting into the head of the users that are using it, how you might be able to improve that, but also sitting down with the ones that aren't using it, figure out why they're not. What are the reasons that are keeping them from using it? What are the things that they do on a day-to-day basis that they may not associate BI being able to help them with, that potentially could help them with it.

And then reuse. Look at that inventory that you did in step one. Look for areas that you can reuse data, that you can reuse some of the reporting that you've done, that you can reuse some of the resources that you have internally and skill sets that you have internally to take this down further into the organization.

And also look at reusing your technology – you've made investments in the technology, but there also may be analytic applications that are available on that technology to take these things deeper into the organization. There are analytic apps around supply chain analytics, around spend management, around marketing campaign analysis. There are analytic apps around all these things that could help you take these things deeper into the organization without really starting from scratch and leveraging the technology that you have.

And then estimate – and what I mean here is what would – what would the cost per user of BI be, if you were able to increase your penetration rate by 5 percent, or 10 percent? What could you extrapolate from that as to what – you know, what improved profit margins you might be able to get if you were to move from a laggard to a best in class in BI? And thinking about – you know, the cost of shelfware – if you had shelfware, what additional value could you get from that shelfware that's just sitting there. And again, that doesn't seem to be a case – oops – a case for this particular audience.

And then next would be test. And what I mean by test here is you've done that inventory, you've done that evaluation, you've extrapolated it out, and that's going to give you some ideas of areas where you can go deeper in the organization. But you don't want to – in my opinion, you don't want to go big bang on this. You want to be able to pick an area that seems ripe for this, that's low-hanging fruit where you already have the data, you might already have a sponsor in place that's happy with BI. There might be some unmet user demand in that organization, and test it there before you go for an all out assault on the organization.

And then tweak it – you know, because we're going to – as we saw, there are going to be barriers – there are barriers to this. There are going to be things that you're going to hit that you're going to have to adjust for. So it's important to do this test and then tweak it, and then go for the full-fledged deployment of it deeper into the organization.

And by doing it this way – by going through this process, you will identify the areas that you can go deep. You'll be prepared for the potential barriers that you may hit. You will think about this from the user's perspective and why they should want to do this. And by doing it this way, you get better adoption when you try to go deeper into the organization.

So again, these are nine steps that I created. I think each organization could take this and tweak it to their particular organization. Some of these will be more important than others in different organizations. But I think it does give you a – some food for thought about how you might be able to start thinking about going deeper into the organization.

So that's – that takes us through the entire concept of going deep. The next – before I throw it back over to Tim for questions, the next Webcast is going to be on May 25th, and that's going to be about "Be Real." Webcast replays are available up on the Innovation Center Web site. I've got that pasted in here, but if you go to the Innovation Center Web site, you can navigate around to find Webcast replays and white papers.

I do also blog on this topic and other topics on my Web site that you can see here, and I do Twitter, and anybody that has feedback for me, questions for me outside of this, certainly feel free to send me e-mails on this topic. I'm always interested in hearing your reactions to these things as well as other topics that you think should be being discussed, when it comes to BI and performance management.

So with that, Tim, I'd like to throw it back over to you to see if we've got a couple of questions. I know we're close to the top of the hour.

Tim O'Brien: We're close to the top of the hour here, but I just wanted to point out you mentioned a number of different things – expanding your existing deployment, using existing technologies, and using existing resources – talking about documenting usage across your organization and some of the hurdles that you face in a lot of this, which is one of them certainly – competing priorities.

I thought it was an interesting stat you had there on the ROI. Or it can be extrapolated as an ROI, which is that organizations that are best-in-class organizations deploying BI technologies have seen a 24 percent growth increase versus those that haven't – well, let's just call them not best in class – 27 percent decrease. I thought it's interesting, and then best-in-class organizations have a 60 percent BI footprint, whereas those non-best in class, only 25 percent.

What I also thought was really interesting for everyone is who's actually using BI in the organization. And I thought some percentages really jumped out at me. Number one was managers, only 43 percent. Pretty interesting there. Suppliers, only 8 percent. And then the one that I think is the most surprising and probably the greatest opportunity, Dave, and I think you touched on it, is the field is only 23 percent.

And in my opinion, based on what I've seen and all the workshops I've done over the years is that if there's any group that can really benefit from these types of solutions, it's your field.

Dave Kasabian: Yes.

Tim O'Brien: It's your field. So I don't know if you want to – you know, you already have commented on everything I've brought up, but I don't know if there's any – you know, last words you want to say about that, specifically this last part about the field – only 23 percent.

Dave Kasabian: Yes. And the thing I would point out there is that the graph there is three years old, and that – those numbers have gone up on the field by about 10 percent ...

Tim O'Brien: OK. Well, that's good.

Dave Kasabian: ... in the most recent study. But what I think that does prove is that a lot of organizations are actually embracing that, and they're going – they're taking it further into the field. So those that aren't should be, because some people don't want to – don't want to be cutting edge, when it comes to this kind of thing of – you know, embracing something like this. But the reality is that we're seeing such a growth over that in the last three years that – you know, by going deeper, it's actually not cutting edge any more. A lot of organizations have done it over the last three years.

Tim O'Brien: Right, and we – you know, at the beginning I talked about that alignment – you know, typically associated with a strategy execution framework which can be enabled through a performance management business intelligence technology to sort of harness the overall decentralization of the organization and that decentralized decision making, but can help at the same time kind of bring it all into alignment.

     And where I think it's really the real opportunity is in the field. The field especially needs to have some sort of framework, if you will, to ensure you're all sort of marching to the beat of the same drummer. And the other output from that is too is that there's best practice sharing and knowledge sharing. So for example, you'd have a Pacific Northwest regional sales manager who perhaps can leverage some great tactics that the Southeast regional sales manager has adopted to great success.

And by understanding what that Southeast regional sales manager is doing well, because they've clearly shown it in the great performance they've exhibited, then – that then, if there's some sort of centralization and understanding of how each region's operating and which can be facilitated through a performance management and business intelligence solution, that facilitates that best practice sharing to leverage each other's insight.

So this was really great, Dave. I'm seeing that we just got a question in here just now. Perhaps we can spend one extra minute, and it is, "How can you reduce your costs during the initial phase of testing?"

Dave Kasabian: Well, it – that's one of the reasons I said to go after that low-hanging fruit area, because if you've got an area where BI has been successful but not deployed deeply, then you've got the resources in place, the technologies in place, so you're not – you know, you're not spending a lot of money on finding these resources and buying new technology.

It's more about using those to do that level of testing. So that's – I think that's how you can do it in that – in that testing phase. And then when you go to the full-scale deployment of it, that's when you most likely will incur some additional costs. But you're also going to get the additional incremental value that goes with it. But for that testing phase, it's important to pick an area that already has the technology in place and the internal skills developed.

Tim O'Brien: OK. And there came in a follow-up question, "How can you convince the organization that the key is the clean data, and that is where we should spend time first, to get the data right?" Unfortunately, it sounds like, per this question, this isn't seen as a value added task, and it sounds like – you know, it's the argument of garbage in, garbage out.

If you don't have clean data, how can you ensure that users are going to have any credence in the numbers? How are they going to believe that it's on target, that it's reliable, that – you know, even if it's easy to consume, if they don't trust that it's the right data, quite frankly they're probably going to ignore it. So how do you make a case to your organization that concentrating on getting clean data is probably the number one priority versus kind of getting

these reports out to people and making getting clean data kind of a secondary task.

Dave Kasabian: Yes, that's an interesting point, because that is actually a point that I intended to make in one of the slides, because when you're looking for that low-hanging fruit, that's one of the key things – is looking for that – an area where the clean data exists and is – you know, is vetted and people – there's no debate about the cleanliness of that data.

And – you know, the reality is that's not going to be the case in all areas of the organization. But if you can find that – you know, those particular areas where the – where the data is clean, that gives you the opportunity to do this – make it successful, and then as part of the marketing of this to other parts of the organization, you make that point that this would have been completely not valuable and probably actually been a disservice to the organization, had we not used clean data.

And then that gives you the ability to use that as kind of a marketing tool to clean up the data in other parts of the organization.

Tim O'Brien: Right, and ...

Dave Kasabian: But I agree 100 percent that you should – you should not embark on this if the data has not been cleansed and has not been – has not been vetted at this point.

Tim O'Brien: And I'd like to follow up to what Dave said, and if you all are still on the Web, you can see a slide here. It's about accelerated success. And essentially what I'm pointing out here is there's a few resources you can leverage from not only the Innovation Center, but all of IBM, which – and one of those things is called the Champion's Kit, and it's resources that can help you sell the value of not only a business intelligent investment, but some of the key components to successfully deploying BI that you need to have in place first. And it speaks to some of the things that Dave's been talking about over the past couple of minutes.

The other thing is something called the IBM Global CIO Study and the IBM Global CFO Study. But in this case, the 2010 IBM Global CIO Study speaks

to a lot of these things here with statistics around success rates for deploying these kinds of technologies when the right infrastructure's in place to facilitate this success. So I'd really encourage you to check out those resources as well.

And I just see that it looks like we've been able to answer that person's question, per a note I just got. So that's great.

But Dave Kasabian, thank you very much for presenting today. Great job. Thank you to everyone for taking time out of your day to participate in this Webcast. As Dave mentioned, we've got the – a lot of other on-demand Webcasts available to you – not only on this subject, but many other subjects across business intelligence and performance management and business analytics.

But certainly within this series, those on-demand Webcasts are available on the Innovation Center site. Thank you, everyone, for your time, and enjoy the rest of your day. Thank you for coming.

Operator: This concludes today's presentation. You may now disconnect. Speakers, remain online.

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