

Top 10 Reasons Why BI Implementations Fail

An Insight

Executive Summary

Implementing a BI solution is not a turnkey solution, as promised by most of the BI vendors. Now more than ever, stakeholders need that data when all of the information could help make their businesses more efficient. When executed the right way, a BI initiative can be a key part of your organization's core competencies; when executed improperly, it can be one of your most expensive mistakes.

The intent of this document is to make you aware of the potential failure points of BI implementations. eDynamic's BI consultants have come across these at various stages and have stood to gain from them. These challenges have added maturity to our processes and refined our best practices further. This would help you keep a bird's eye gaze on the diverse moving parts and allow you to address the problem before it's too late.

1. Poor Requirements Gathering

One of the most important step, and one that is often given the step-motherly treatment, is the requirements gathering step. It's imperative to involve the users in the requirements discussions to ensure that what you're planning to build is actually something they need and will use.

The role of the business analyst doing requirements gathering cannot be more emphasized here. The business analyst is the link that converts the business requirements into functional specifications for the BI Architect. In 80% of our projects, we realize that the users really don't know that they need. What everyone does know is that they want information, reports and BI. But what they think they need may be completely untenable.

The onus is on the BI experts to guide the users through a process of discovery. Once something tangible is given to them in terms of a prototype, then the wheels of ideas and queries are set in motion. That's the value addition that BI consultants should bring, by channelizing the user's thought process to come up with meaningful requirements.

2. Scope Creep

Another important area of concern is the concept of scope creep. As we get the users to think through the meaningful requirements, everyone's enthusiasm wants their piece of problem resolution to be incorporated. This could spiral into an unmanageable scope.

Top 10 Reasons why BI implementations fail

Projects fail because the deliverables do not meet the expectations of the user community. Expectations cannot be managed unless they are first established, agreed to and communicated to all that are involved in the project. It's important that the scope of the project is locked before embarking on the design and development activities.

3. Poor Design & Implementation

As the saying goes - Measure twice & stitch once. Poor development efforts can still be salvaged, but a poorly designed system would need a complete overhaul at some point. Design of the BI architecture is another key step to be mindful of.

It is also important in the design phase to design the metadata strategy. Metadata is information about the contents of the BI solution, defining where the data came from, what it is and how to use it. Metadata is a key component to a successful BI implementation.

We have been approached by many companies who want to overhaul their existing BI applications. Such BI applications run great when they GoLive but over a period of time they just fall apart as more reports and data points are added. This typically happens because the BI architect never accounted for the bigger picture. The design was done primarily to cater to the existing requirements.

That's why your in-house Database Administrator is not the ideal candidate to design the BI solution. Most BI projects do not have the luxury of time and an inexperienced staff will not necessarily approach the project from a best-practice perspective either. That's the core-competency that any BI consultant should bring to the table because BI application design is critical to the success of the project.

4. Large Projects vs. Small Steps

Thing big but start small. That's a mantra for a successful BI implementation. Time and time again, we have seen companies start on a large BI initiative and spend a great deal of money on it, only to put it on the shelf years later. Instead of launching into a project that could span years, we recommend selecting a small subset of information that will prove useful to the users. Once that is operational, users will be able to start providing valuable feedback to the overall design. Doing it in an iterative fashion is critical to its success.

Top 10 Reasons Why BI Implementations Fail

Never try to bite more than you can chew. One common mistake companies make when building BI systems is to try and create a behemoth that covers all aspects of the business. Phase-wise implementation not only encourages increased user adoption but also gauges how to continue down the road of mapping out future phases of your BI project. This can also affect whether companies can get sponsorship from senior management, especially during an economic downturn. A pilot project that can deliver benefits to a small area of the business might make it easier to gain traction in the future. Remember, any BI application evolves over a period of time.

5. Impulsive BI Application Selection Process

In today's world, BI has become a buzzword and every company wants to jump on the bandwagon. BI Vendors take advantage of this hype and promote their tools as 'solutions'. Companies must realize that BI tools provide varied 'functionalities', not 'solutions'.

In this context, it is important to align the needs of the users to the functionality offered by BI applications. Many tools claim to handle multiple functions, so it is important to try out each tool for yourself to make sure it does what you need it to do. Don't just take the vendor's word. Instead, you should use a formal business-based methodology for selecting the best BI application for the organization. Such BI application selections have a much higher success rate and are more likely to meet user expectations.

Too often we have seen companies make the decision to use a particular tool and continue to use it despite the fact that it may be painful to use and doesn't meet the company's needs. By investing the time to plan and select against defined goals, an organization can minimize potential selection risks and maximize the opportunity for selecting the best BI application for the organization. We recommend companies to refrain from falling for the BI Vendor's rhetoric and take help from the practitioners.

6. Inadequate Functional Testing

Functional testing is a great way to ensure that the requirements have been met before the rollout of the application across the enterprise. A properly configured BI application provides its users with the ability to access the information that they need in order to answer the business questions that they have.

Top 10 Reasons that will make your BI implementation fail

Functional testing provides the project team with a means of checking whether or not the BI application was configured according to the needs of the users. Do not shortchange this step. If the BI application does not provide the information the users need, then the project will fail because they will not use it.

7. Performance Problems

This is another area where a well designed application assumes importance. Every rollout of a new BI application brings in new expectations. However, from a user perspective, instability or increased data retrieval wait time can be annoying. If it crashes too often or takes too long, it becomes extremely frustrating.

Most users would give up on the BI application after a couple of frustrating experiences. Worse, they will go back to their primitive method of intelligence gathering. The BI application should be thoroughly tested before it is deployed so users do not encounter these problems.

We recommend regression testing as part of the implementations to ensure that the system is able to take the load of multiple users accessing the system all at once.

8. Inadequate User Involvement and Training

Most of the users are always unwilling to move over to a new system. This is a very common aspect that we come across in projects. They perceive any new system with suspicion and an additional overhead in their daily tasks. It's important to involve the user community to the extent possible. Since they will be using the system eventually, their naming conventions, business rules and data context must be incorporated.

Also, the user community should be properly trained on the BI application. There are projects in which users don't know beyond the basic functionalities of entering prompts and running reports. Eventually, they copy that data in an XL spreadsheet and then do analysis. This way they do a great disservice to investment made in the BI tools, only on account of their ignorance.

We recommend that the user community should be trained on the BI application before roll out. The objective of training is to provide them with an understanding and practical experience of the features and functionality of the BI application.

Top 10 Reasons that will make your BI implementation fail

9. Non-conformance on Data Cleansing

Garbage In is Garbage Out. This principle holds so true with BI. Pulling data in from multiple sources isn't simply a case of pooling data as some of the BI Vendors suggest; the data needs to be verified, de-duplicated, conformed and validated.

Master data management is a critical component of BI, which enables you to reconcile duplicate records so that, for example, you don't end up with multiple different views of the same customer polluting your data when trying to perform trends analysis.

To deliver on the promise of 'single version of truth', data from disparate sources have to be pulled together. If the data is not cleaned and conformed, companies can never derive fair intelligence out of their BI applications.

10. Inadequate Sponsorship

Many BI projects fail because of lack of adequate backing. They start with a lot of fanfare and fall by the wayside eventually. Companies must understand that BI implementation is an iterative process. The ROI may not be visible upfront but over a period of time it surely delivers many times the investment.

Companies need to be patient and ensure that the sponsorship factor is not diluted prematurely. The project sponsor should be committed to the success of the project. Without dedicated sponsorship, the project may not receive the recognition or the support it needs to be successful within the organization.

Top 10 Reasons Why BI Implementations Fail

About eDynamic

Established in 1999, eDynamic is a Global Web Solutions Firm. We are a one stop shop for Web solutions offering a wide range of services including Web and Enterprise Content Management, Portals, Web Design/User Experience, Online Marketing, Custom Application Development, Business Intelligence and Managed Services. We blend strategy, technology and creativity to deliver integrated, fully customized business solutions, and partner with our clients for cornerstone strategies and critical Web initiatives.

eDynamic has a flexible delivery model that is driven by agile methodologies & a cutting edge technology resource base. We also have partnerships in place with Sitecore, Ektron, Microsoft, Open Text, IBM, Kentico, Media Chase. Through our offices in New York, Phoenix, Los Angeles, Toronto, Dubai, and New Delhi, we are serving customers such as Suncor Energy, UPS, PepsiCo, New York Life, Aviva Insurance, Minnesota State University, Moneris Solutions, HarperCollins, Estee Lauder, GlaxoSmithKline, Sunlife, General Electric, Allianz, Advance America, Intercontinental Hotels, Jet Airways, Samsung, Sony, among many others.

eDynamic's BI offerings include

- ▶ Data Warehousing
- ▶ Analytical BI (OLAP)
- ▶ Google mash-ups
- ▶ Benchmark reporting
- ▶ Portal integration with BI tools
- ▶ Business process management
- ▶ Company branded reports
- ▶ Dashboard & scorecards
- ▶ Operational BI (OLTP)
- ▶ Key Performance Indicator analysis
- ▶ e-Statements
- ▶ Invoice generation
- ▶ BI solution maintenance and support
- ▶ Report designing, modification, customization

For more information on eDynamic's expertise in BI, refer to the link below:

www.edynamic.net/home/Services/ITServices/BusinessIntelligenceDataWarehousing.aspx

Visit us at: www.edynamic.net

Call us at: North America: 1-877-EDYNAMIC (339-6264)

India: +91-11-26384306-07

Write us at: contact@edynamic.net