SISENSE

HOW TO BUILD BUSINESS INTELLIGENCE SOFTWARE INTO YOUR BUDGET

VentureBeat

INTRODUCTION

Every time budget time rolls around, there's the usual panic in many organizations: what are we going to do about our data? In fact "organizing scattered and large data sets" is one of the top business challenges that companies face today, but one that many regulary put off.

Problem is: while businesses have become pros at collecting data, taking the plunge and investing in the proper business intelligence and data analytics solution to make meaning of all the data is often put on the back-burner. The reason? Usually, it's as simple as trying to fit BI into an approved budget.

The good news is you can stop procrastinating and start doing: We have teamed up with VentureBeat to create a decisive guide on how to build business intelligence into your budget, which serves as a springboard for businesses eager to face data challenges head on and make some major waves.

IS THE TIMING RIGHT?

Can you manage without business intelligence just a little longer?

Though this question is often asked by companies who are on the fence about a BI investment, after some honest "self-reflection", their need for a data analytics tool becomes even more glaring. Here are the most common indicators companies see (and struggle with) before establishing a need for an investment in BI:

- Reporting needs to be done manually in Excel (and is time consuming)
- Difficulty pulling and joining data from multiple data sources
- Inability to access and utilize the data collected to see insights
- Need for data visualization in real-time

There aren't many sophisticated businesses today that don't need business intelligence to understand their data and gain a competitive edge.

Who is still using Excel to crunch their large, scattered and unstructured data sets? So 2010. No one has a week to kill making data speak the same language. Now there is ALWAYS data to be had that can offer an eye-opening look at your company's performance.

OUTLINE YOUR BI PROJECT TO FORM A BUDGET

The more time you spend on upfront planning, the less time you'll waste stressing if your project will be in budget. Ask very specific questions like: How quickly do you need the project completed? Do you want every department to have access to BI and dashboards? Should clients also have access to your generated reports?

The breadth of your BI project will most likely reflect what your needs are and actually lay out a budget for you.

DECIDE ON PROJECT ROLL-OUT

There's more than one way to approach a BI roll-out and employee/company involvement, and each of the different alternative will incur separate costs and services. Make sure to identify which approach your company wants to take and then create a short list of BI vendors based on that decision. Here are some of the common ways companies go about it:

THE PHASE APPROACH

BI systems are launched within your company, department by department, until the entire company has access. This may extend to client access as well. See department dashboards as an example.

IMMEDIATE IMPLEMENTATION

Your company is in dire need of BI and wants to implement an effective business intelligence solution immediiately.

EXECUTIVE DASHBOARDS

The BI project is limited to those at the C-level to offer a real-time and big-picture look at how the company is performing.

OEM, EMBEDDING AND WHITE-LABELING

BI is added to a current software choice within your company as embedded analytics to expand functionality.

CLIENTS ONLY

Only end users are provided with BI tools to perform self-service reporting and provide your business the opportunity to illustrate KPIs and individual successes to clients.

COST FACTORS & BUDGETING:

4 COSTS OF BUSINESS INTELLIGENCE

While it might be tempting to pick the least expensive option available, many companies make the mistake of trying to estimate costs of a business intelligence project by focusing just on the cost of the software licenses.

This approach is short-sighted and can lead to a lot of unseen expenses, especially if you don't verify that there are no hidden costs in other services, such as the cost of the work that needs to be done in order to customize this software for your own needs, additional costs for ongoing technical support, etc.

Here are the four services and considerations you must investigate before getting an accurate number on cost of a BI vendor:

1. Software License Fees
2. Maintenance Fees
3. Hardware Costs
4. Implementation Services

See how you can evaluate these considerations with
4 steps to evaluating a BI software.

A BI SELLER VS. A SERVICE SELLER

Vendors in the business intelligence space have two ways of making money: selling software, and selling services such as consulting, implementation and maintenance. It's very difficult for a vendor to successfully focus on both, because they require completely different core competencies, staff and operations.

If a BI vendor presents itself as a software vendor but has a wide range of professional services for sale, this should make you wonder what it is about the vendor's software that requires so many services. True software product vendors prefer to focus on selling licenses, not on selling services. So it's important to find a BI vendor that prides itself on providing a self-service, single-stack BI software that's easy to implement--rather than one with cheap licenses and an entire professional service package.

THE MAGIC NUMBER FOR BI COST

A lot of people want a magic number for determining what price range is cost efficient and what's just too good to be true. While there's never one number that indicates when cheap becomes expensive in the long run, here's a safe bet:

If a BI solution is free, or costs less than $10K per year, there's usually a catch either in development time or in the ownership rights attached to the code. Be wary of this. If you're going to spend money on BI, you want to make sure you're doing it right.

Now, the question everyone's waiting for: what can you reasonably expect to pay for a full-service, end-to-end business intelligence solution? A quality BI solution can start at around $15K per year and go into the hundreds of thousands. Because cost varies depending your BI needs, as a more concrete recap, here are two major aspects of cost that you will need to evaluate:

1. EFFORT

If you pay your IT manager around 100K a year each, and he or she spends 50% of their time answering analytical questions - including gathering data, cleaning data, preparing data, building dashboards, and updating dashboards based for every iteration or new question - you are looking at adding $50,000 a year to whatever BI solution you choose.

Unless, that is, you invest in a high quality BI solution that includes some level of data preparation, ETL, datawarehousing, and has an easy-to-use interface for dashboarding. Then, your IT team can spend only about 10-15% of their time on BI and you won't need to add all that additional IT manpower.

In other words, if a basic BI solution costs around 15K, and a more sophisticated one that provides the technology and features for data management costs around 25K, but can save you $40,000 per year in IT resources, it pays to choose the more powerful albeit more expensive BI solution – especially if you have complex data – data that is big, coming from multiple sources, and scattered across your organization.

2. TECHNICAL INFRASTRUCTURE

Adding to effort cost, if your company needs to add more technology such as purchasing additional databases underneath a BI solution, or investing in external ETL, the cost of additional technology can quickly bring up the price of any basic BI tool. Plus, your business needs and data will only grow, and trying to scale a multi-piece BI solution that wasn't designed for complex data is like trying to stay in a one bedroom apartment with a growing family- there is nowhere to go but out.

Purchasing a more sophisticated BI solution after outgrowing a small one will not only be hugely inconvenient to your business, but the first BI solution in place will be a total loss os investment.

With these figures in mind, you can build a budget around the cost of effort, technology, and long-term value, considering everything from project management to implementation and adoption. Base the initial budget on what it would cost you to employ a single in-house developer and the needed time and effort from your IT team, and you'll get a good ballpark figure to work with.

A TYPICAL BI PROJECT TIMELINE

PLAN ON 2 QUARTERS OR 3-6 MONTHS

The last vital consideration is how long it will take for your BI project to be implemented. Of course, the scope of the project will impact timelines quite a bit, but assuming you're rolling out company-wide, it's quite typical for implementation to take up to two quarters.

In fact, when you factor in time to evaluate vendors, conduct POCs, and implement the product you've chosen, a timeline of 3-6 months is completely reasonable and provides both enough time to complete a thorough evaluation and implement a speedy resolution to your problems.

TAKING THE LEAP

LAUNCH A BI PROJECT IN 5 DAYS

And like the saying goes, procrastination is opportunity's assassin. Keep in mind the cost of not using your data to uncover new insights and measure performance, such as: lower retention rates, diminished profits, decision delays and added staff time spent on developing alternative solutions. Even lost opportunities factor into the cost of not using data.

This can finally be the time to embrace BI, create a single version of data truth for your organization, and start understanding how to create more success. In fact, if you want to punch procrastination in the face right now, you can launch a BI project in just 5 days using Sisense and start looking at your data, and your future, in a whole new light.

NEXT STEPS:

Try Sisense For Free

Get a One-On-One Demo of Sisense