



## INTERVIEW WITH META GROUP'S DAVID FOLGER

BY DAVID BAUM

*As vice president of Web & Collaboration Strategies at META Group ([www.metagroup.com](http://www.metagroup.com)), Folger specializes in business intelligence with an emphasis on applying analytical technologies to enhance end-user effectiveness. He is also a recognized expert on corporate portal strategies. Contributing editor David Baum recently spoke with Mr. Folger to obtain his perspective on the business value of real-time information delivery and the significance of high-impact Web applications on a company's ability to realize ROI.*

**IB MAGAZINE** - What sorts of business trends are causing companies to take a closer look at real-time information delivery?

**FOLGER** - One of the side effects of the Web is that companies are paying closer attention to all the sources of information within a company. The industry is no longer content to simply run structured reports and gather information out of databases. Enterprise portals help organize documents and messages, but managers still have a hard time gathering all the information they need to make effective decisions. Content management, document management, and business intelligence are moving to center stage to help companies manage this glut of information.

**IB MAGAZINE** - What is the value of real-time information delivery and why is it so important in today's highly automated business environment?

**FOLGER** - A lot of money has been spent in the last few years on replacing legacy front-office and back-office information systems with modern ERP and CRM applications. But those applications are only as good as the information that can be obtained from them. This information sits in databases and it

needs to be made available to decision-makers in a useful way. This need is driving a lot of real-time information delivery initiatives, and a lot of expansion in the business intelligence industry. That is going to continue. I think the effect of the big wave of ERP and CRM installations is just starting to impact the BI market.

**IB MAGAZINE** - Is this because enterprise applications don't come with adequate tools for intelligence and analysis?

**FOLGER** - The ERP companies are starting to add some data warehousing components to their systems. But they haven't gone very far yet in terms of reporting and OLAP. Customers still need third-party business intelligence tools to analyze data from enterprise software applications.

**IB MAGAZINE** - Some of the relational database management companies are integrating data warehousing capabilities and rudimentary OLAP tools right into the database server. Does this change the need for third-party tools to handle reporting and analysis tasks?

**FOLGER** - What some database vendors are doing is adding multidimensional reporting capabilities to

the fundamental relational structure. But it is still data in a database; it doesn't present that data to users. Typically, relational database companies don't do as good a job at presentation as the third-party business intelligence vendors do. That's not their expertise. You still need a tool that issues commands, operates on the data, and presents information in a variety of ways.

**IB MAGAZINE** - How else has business intelligence technology changed in recent years?

**FOLGER** - Business intelligence is moving away from a highly specialized pursuit for analysts and becoming more usable by ordinary business people. Portals open this up for lots of people in a company. CIOs now think of the information delivery issue as a corporate-wide infrastructure decision and realize that it has aspects that involve unstructured data as well as standard reports.

Companies are also starting to use BI systems to deliver information outside their firewalls to their partners, suppliers and customers. Until recently, you couldn't get information from a supplier except through very structured systems like EDI. There wasn't any other way of com-

municating information about what was going on in a company other than receiving a paper mail or calling somebody on the telephone. Now you can get that information through a Web site. BI reporting and delivery tools are being used to build Web-accessible information sources.

**IB MAGAZINE** - How does this relate to the emerging trend of applying Web Services to information delivery?

**FOLGER** - Web Services extend and automate information delivery capabilities outside the firewall. A company could publish information in a Web Services form and another company that participates in the supply chain could consume those Web Services and create an integrated report based on their joint activities. Instead of each player in the chain having to log onto a Web site, information could be published in an XML form so it could be aggregated to create a single display that shows what is happening up and down the line.

**IB MAGAZINE** - We went through an era of free spending on technology. Now investments are more carefully scrutinized. In your experience, what are some of the essentials that CIOs look for in a technology purchase today?

**FOLGER** - Obviously, people are very interested in return on investment. There are measurable ROI issues such as reducing inventory in a supply chain or reducing calls to a call center. There are also less tangible, but still very real ROI issues like improving customer satisfaction. In a market slowdown, business managers need to uphold very tight cost targets. To do this, they need to know exactly what their costs are. This implies useful, easily accessible reports to help them stay within budget.

**IB MAGAZINE** - You predicted that BI would emerge as the focal point for improved end-user per-

formance, enabling knowledge workers to synthesize a myriad of information sources. How close are we today to realizing this goal?

**FOLGER** - This vision goes hand in hand with the concept of personalization. In essence, it involves organizing your computing environment to synthesize the information you need. That is part of what is being addressed by portals and BI tools, although I think we are still in the early stages of tying it all together.

**IB MAGAZINE** - As information becomes widely used throughout the enterprise, what can IT organizations do to centralize BI assets and encourage reuse of reports and analytic routines?

**FOLGER** - Companies need to focus on managing their information analysis and delivery assets. This is often poorly done because BI projects tend to grow at the departmental level. Even if there is a corporate-wide standard, individual groups tend to put up a server and create reports that are under-utilized, simply because they are not available to the organization as a whole. Companies can reduce costs by consolidating servers, support groups, software licenses, and administrative efforts. Vendors can help by supplying usage tools to track access patterns and to determine which reports and which types of information get used the most. This gives IT some basis for optimizing resources.

**IB MAGAZINE** - What are the essential ingredients of a well-defined information access and delivery strategy?

**FOLGER** - One of the important aspects of any reporting or BI project is to make sure you have good data sources. Companies need to look closely at data modeling, data management, and data architecture. Anybody doing information delivery projects must make sure the data is clean, they understand what it means, the meta-data describing it

is in place, and it gets updated on a proper schedule.

**IB MAGAZINE** - How do you see business intelligence strategies evolving in the near future?

**FOLGER** - The typical model has been to put data in a repository like a data warehouse and report off of that. But there is also the potential to derive business analytics off of data streams. For example, the data that goes into ordering, shipping, and inventory systems could be analyzed in real time - before it ever gets put in a data warehouse. As you get more focused on real-time business dynamics, the model of collecting data, storing it in a warehouse, and reporting off of historic data - even yesterday's data - begins to break down. You want to know right now what is happening. You want to know that inventory is low or a certain threshold has been reached without having to do a report on it. This concept fits best in dashboards and performance indicators.

**IB MAGAZINE** - What would you say are Information Builders' strengths in these markets?

**FOLGER** - Information Builders provides a very flexible platform for delivering information in real-time and allowing users to select the parameters of the particular information they want. Information Builders is also very strong in tapping a large number of data sources, including legacy sources where a lot of data still resides. Companies need to be able to extract data from SAP, PeopleSoft, Siebel, and those types of targeted sources. Information Builders has developed data migration routines to simplify this process, and information delivery tools to ensure information gets into the hands of the people who need it. ●

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