

AMR Research, Inc.

John Hagerty

John Hagerty has more than 25 years of experience in enterprise applications, performance management, and compliance. He leads AMR Research's analysis on strategies, practices, and trends driving governance, risk, and compliance, business intelligence, and performance management.



Information Builders: We've seen a lot of consolidation in the business intelligence (BI) marketplace. How is this affecting customers?

Hagerty: Some customers are frustrated by the rapid consolidation in the market. They have made significant investments in specific software products, and they want to maintain those investments over time. Vendors that acquire BI and performance management tools need to assure these customers that their software will be more than just supported, but also enhanced. Long term, customers are asking one simple question: will my product survive, and will my applications keep working the way I expect them to?

Information Builders: Are customers still interested in best-of-breed business intelligence tools?

Hagerty: I believe there is a need

for best-of-breed tools for the foreseeable future. Many companies purchase BI tools to solve a particular problem, and they tend to go with what they are most comfortable, especially when business users lead the charge. Other companies choose an enterprise BI platform that includes middleware, applications, performance management tools, scorecarding and dashboards, and so forth. In some cases, this reduces total cost of ownership for the IT department, but there is a trade-off in usability, since you don't necessarily obtain best-in-class functionality. Consolidation may ultimately address this, but it is going to take a while to get there.

Business users want the product that feels the best to them, the one that is the easiest to use. IT wants software that is easy to support and

maintain. So we have IT-led performance management and we have business-led performance management. Quite frankly, they are not on the same page.

Information Builders: What exciting trends are you seeing among BI deployments?

Hagerty: BI is becoming more pervasive and operational. In the past, business intelligence had been backward facing: “Tell me where I have been;” “Show me the score;” “Let me view performance through dashboards.” We’re starting to see business intelligence expand beyond merely monitoring key metrics. It’s going very deep into the operations of a company. It’s driving intelligence into the heart of the business, based upon specific operational activities.

Information Builders: Can you give us an example from one of the industries you cover?

Hagerty: The supply chain is a huge area of opportunity for business intelligence, especially in the manufacturing and retail sectors. These companies make or break their business performance based on the agility of their supply chains. They need a good handle on the supply network, which includes suppliers, third-party providers, and service providers. Thus, they are extending business intelligence outside the four walls of the business, into the value network itself. If a supplier is a critical part of your product-delivery capability, you need to treat it as part of your own company, both for visibility and to share feedback across all nodes of the value chain. This is fertile ground for virtual organizations, and especially among manufacturers and retailers because they have so much data to share.

Information Builders: What’s the difference between performance management and operational BI?

Hagerty: Performance management generally refers to structured ways of analyzing data about corporate performance. Operational BI has more of an ad hoc flair to it, and is associated with understanding cause and effect in operational activities within an organization. Performance management deals with structured ways of measuring rather than free-form queries and general information analysis.

Information Builders: With the rise of Sarbanes-Oxley legislation, performance management strategies often arise in the CFO’s office. Has this given BI more executive visibility?

Hagerty: Sarbanes-Oxley has caused a lot of software vendors to treat the CFO as a discrete buying audience that takes a lead role in selecting performance management technology. The more mature your BI initiatives become, the more important it is to develop a culture of performance. As the steward of all corporate assets, the CFO has an important role in these initiatives. We have ended up with a group of tech-savvy CFOs that is certainly more inclined to approve purchase decisions for BI software. Sarbanes-Oxley also forced the issue of “one source of truth,” which has given integration technology a much more important role within the BI marketplace. It’s important to note that CFOs are not solely boxed in to financial concerns. They want better information access and understanding spread throughout the organization.

Information Builders: How is search technology changing our expectations of BI solutions?

Hagerty: Search is broadening the horizon of what business

intelligence really means, and it is gradually becoming part and parcel of how BI works. I don’t think that “search is the new BI,” as some search engine vendors will tell you. But I do think the two technologies are moving closer together, and that they have to interoperate – both in terms of being able to interpret a search string and get an answer back, and in terms of being able to search out existing content.

Some vendors view the problem as one of unstructured versus structured data. They use search to go after nontraditional report content, then try to marry it up with traditional reports. But users want these two technologies well integrated. Search should drive BI and BI should drive search, so they become two sides of the same coin.

Information Builders: What developments are you seeing with mobile BI and portable analytics?

Hagerty: Lots of business users want to be able to request and analyze information on their mobile devices. But the people who approve these types of purchases are looking for use-cases that demonstrate how portable analytics can really add value. Some people are enamored by the idea of being able to run a report or navigate a cube of data on a mobile device, but they need to ask themselves what they really want to do with the information. These devices may be better for simply alerting people to events and linking them to high-level metrics. We’re in the early stages as we figure out what type of BI content is actually consumable by a business user through today’s mobile technology. 🌐