SAP Thought Leadership Paper
Business Intelligence

Turning Data into Actionable Information and a Competitive Edge

A Business Intelligence Competency Center Integrates Your Organization, Processes, and Technology

The Best-Run Businesses Run SAP™

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As business leaders rely increasingly on actionable information for strategic decision making, many mature organizations ask IT and business managers to share responsibility for reporting and business intelligence. Business intelligence competency centers (BICCs) provide essential support for this collaboration to help ensure the quality and integrity of your data and properly deploy your business intelligence resources.

Building a Bridge Between Business and IT Managers

A strong partnership between business and IT managers is key to the success of any business intelligence (BI) initiative. Together they must choose the right tools for managing the many activities of an effective BI and reporting program. They must also determine specific responsibilities for gathering, managing, analyzing, and maintaining data and ensure that these processes are consistent and reliable.

IT departments have long used centers of excellence (COEs) to manage data, provide a technical infrastructure for business intelligence, and meet the reporting needs of business managers. Today, many enterprises are creating business intelligence competency centers (BICCs) to bring their BI stakeholders, processes, data, and technology together.

A BICC can operate either independently of or within an existing COE. The business side of an enterprise typically owns the BICC and assumes responsibility for reporting, data quality, and data integrity. Meanwhile, IT assumes custodial responsibilities for data management and the technical architecture.

An effective BICC combines best practices in business intelligence, enterprise data management, technical architectural management, and change management. It can turn the volumes of data your organization collects into a competitive edge and help you meet your strategic business goals. A BICC also provides governance models and the tactical capability for launching BI initiatives.

By helping you create consistent processes and practices for the rollout of your BI projects, a BICC can reduce project risk. Business and IT managers can use the BICC's capabilities to create analytics that support the organization's strategic objectives. In addition, the BICC provides a framework for structured accountability, sound operational practices, and functional expertise. By balancing all information requests against a common resource pool and prioritizing them by business value, the BICC also optimizes resources by focusing team members on strategic and operational capabilities that offer the highest value.

Laying the Foundation for a Business Intelligence Competency Center

Developing an effective BICC starts at the top with a clear business case for senior managers. This business case should quantify the time, effort, and cost required to enhance your current BI capabilities and forecast the potential return on your investment. Also important is a road map for deploying your new BI functionality over time, as well as an organizational model that identifies the key stakeholders responsible for supporting BI goals within the BICC framework.

DEMONSTRATING A STRONG BUSINESS CASE

The business case for developing a BICC should be aimed at senior managers and demonstrate how the BICC will support their reporting needs. In addition, the business case should illustrate how total cost of ownership will improve by lowering:

- The cost per concurrent user
- The cost per full-time employee for supporting each concurrent user
- The cost for infrastructure and application management

Management may also be interested to know that a BICC can increase satisfaction and participation among users of BI solutions by eliminating the time they waste accessing information across multiple systems. A BICC can also empower users with easy self-service reporting, increase the availability and continuity of business processes, and help ensure fast and efficient user support.

Organizational Model for a Business Intelligence Competency Center

Stakeholders	Roles, Responsibility, and Accountability
Executive steering committee	• Sets business intelligence policy, priorities, and direction • Secures organizational commitment • Accepts and manages risk • Allocates funding
Functional work group representing cross-organizational business units	• Seeks input from individual contributors • Makes recommendations to steering committee • Implements steering committee policy • Directs strategy • Manages operational effectiveness • Reports ROI to steering committee
Business intelligence team	• Provides operational support • Reports on operational status to functional work group • Manages information assets • Supports user community
Individual contributors	• Champion change and provide input • Handle training and organizational change management • Function as a program management office to coordinate BI initiatives and align them with objectives • Manage project communication

In addition, a BICC can provide a stable BI interface and help you consistently apply protocols for report development and software implementation. It serves as a single point of administration for better project management and helps you access the right tools and build the right infrastructure for your reporting needs.

DEVELOPING AN IMPLEMENTATION ROAD MAP

Ideally, senior managers should also be involved in developing an implementation road map for the BICC. The road map incorporates your strategic priorities, organizational readiness, and desired BI capabilities – as well as the cost, funding, time frame, and level of maturity related to various road map milestones.

DESIGNING AN ORGANIZATIONAL MODEL

Once you have a business case and implementation road map, you'll need an organizational model that identifies key project stakeholders as well as their roles and responsibilities. These stakeholders include your BI steering committee, functional work group, and BI team, along with the business and IT employees involved in the project.

Your model should show how stakeholders will address areas such as risk, funding, and organizational change and communicate the organization's BI strategy.

Business intelligence competency centers (BICCs) bring BI stakeholders, processes, data, and technology together – improving collaboration between IT and business managers, optimizing data quality, and enabling the proper deployment of BI resources.

Putting Your Business Intelligence Competency Center in Place

Once you've created a business case, implementation road map, and organizational model, you can set strategic priorities for implementing the BICC and design specific implementation-related projects. You can also develop and document the governance policies, guiding principles, and technical architecture for data management. Leveraging existing governance policies and best practices can increase your return on investment.

Before you develop your resource capabilities, skills, and capacity, it is helpful to review existing capabilities and identify the knowledge gaps. A plan for organizational change management and internal training is also vital. Many leading organizations also have a BI analytics team that conducts workshops on how to link key performance indicators to strategic priorities. Output from the workshops may include actual business use scenarios, metric decomposition, and a flow chart of data and reporting navigation.

In assessing your BI tools, you'll want to avoid overlapping their functionality and make sure the tools are aligned with the reporting needs of users and the analytical maturity of your organization. It is also important to identify the key business processes that the new reporting paradigm will affect and determine the time frame, data impact, dependencies, and resources required for any necessary process changes.

You can use a pilot program to test your new BI tools, the support for the tools, and the governance standards and templates that you have developed. This lets you take an iterative approach to implementing your BI reporting model and helps ensure that all levels of the BI organization work smoothly together. Documenting the lessons learned from your pilot will help your BICC mature.

How SAP Can Help

The Business Transformation Services group of the SAP® Consulting organization offers a wide range of implementation support – including support for conducting the workshops, interviews, and assessments that can help you plan and create your BICC. Our experienced team leverages standard SAP business intelligence strategies and methodology to:

- Identify the people, processes, and technology that your BICC will support
- Evaluate your existing BI practices
- Design a plan that bridges your BI gap and fulfills your strategic visions
- Create a road map for executing your BICC program

We can help you develop a plan for setting your BI strategy and managing your enterprise data and technical architecture. We can also help you manage your BI resources, install the appropriate BI tools, and address change management issues. Key deliverables include:

- An as-is assessment and gap analysis
- A BI maturity assessment
- An assessment of enterprise data and technical architecture management
- A resource and capability assessment
- A change-readiness assessment
- An implementation road map

LEARN MORE

SAP can help you create a BICC that is both appropriate for your current level of BI maturity and scalable for future BI initiatives. What's more, our proven BI models can help your center realize an attractive return on investment.

Close collaboration between business and IT managers helps ensure the alignment of your BI organization, data management processes, and technical architecture. Support for change management, training, and communication helps to socialize users and facilitate the new environment.

For more information about how the Business Transformation Services group of SAP® Consulting can help you build a BICC that turns your data into actionable information, please contact your SAP representative. You can also visit us online at www.sap.com/services/portfolio/business-transformation/index.epx.

www.sap.com/contactsap

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