

SMART INTELLIGENCE



Optimised business intelligence is indispensable – it's need-to-know, and you need to know... We got together with two practitioners at the frontline of Eastern Europe's largest IT services provider to find out a little more about an increasingly business-critical activity – and outsourcing it...

Kirill Degtiarenko is Director, IBA Group Development Center, overseeing the delivery of professional services to international customers. Kirill and his colleague Yuri Zholnerkevich, Project Manager, have been involved with a number of major business intelligence implementations over the last couple of years including for Goodyear and Belarus' Alpha Bank.

outsourcing: Let's start with the basics: what comprises business intelligence?

Kirill Degtiarenko: The TechTarget.com definition of business intelligence (BI) says: "Business intelligence is a broad category of applications and technologies for gathering, storing, analysing, and providing access to data to help organisations make better business decisions. BI applications include decision support systems, query and reporting, online analytical processing

(OLAP), statistical analysis, forecasting, and data mining."

Speaking a more user-friendly language, BI is the software that helps managers to understand what is happening with their business, why and what should be done to make it better.

Q: Why are organisations increasingly interested in business intelligence as an outsourced offering – are there common drivers behind this trend?



IBA Group began life in 1993 with four employees. It now has over 2,500.

KD: Business becomes global. The amount of data companies need to analyse is huge and the process can be messy. BI provides a great opportunity to get everything in order. BI implementation is quite a complicated task that requires specific skills and experience. The right people are hard to find and expensive to hire. Obviously, outsourcing is a good solution.

O: What verticals in particular are at the forefront of this trend?

KD: Such projects cannot be referred to any particular industry or branch. BI is required for businesses, primarily large-scale companies. If one spends a lot of time on data processing and reporting, information quality is continuously decreasing, and there is no enough data for quick decision-making, then one should think of using BI.

O: Yuri, what are the typical challenges when it comes to implementing an outsourced business intelligence solution and how can buyers make suitable preparations to overcome them?

Yuri Zholnerkevich: I would first of all say that a BI project never ends. If one speaks of its completion, he or she refers to completion of a project stage. BI can embrace all areas of a company's lifecycle involving information management. These may be finances, HR, sales or marketing. The volume of information is growing every year. New products come to life, the company is changing, and the BI system should be changing too. Hence the first risk comes. One can make a project that becomes useless in a year. Therefore, it is essential that an organisation trains its own team of BI specialists. The team should be able to maintain and update the system. Otherwise, it will have to extend cooperation with the outsourcing provider.

The second risk is the "internal readiness" of an organisation to such a project. This comprises two components, namely management and technical infrastructure. Some companies treat BI as a "must have" without clearly understanding

why it is needed and what problems it can solve. They seek to embrace a maximum number of operations, gather as much data as possible, and build as many reports as possible. As a result, the project is too effort and time-consuming, and the probability of its successful completion is low.

The important success factor is that management should be aware of the company's bottlenecks, and of how BI can overcome them. In this case, a BI project resolves a specific problem and therefore

“THE VOLUME OF INFORMATION IS GROWING EVERY YEAR. NEW PRODUCTS COME TO LIFE, THE COMPANY IS CHANGING, AND THE BI SYSTEM SHOULD BE CHANGING TOO” YURI ZHOLNERKEVICH

predictable effort and timeframes can be set. The project will result not in a new system but in a solved business problem.

As for technical infrastructure, the most common task is to improve the existing accounting systems. A BI system can function only with the information provided by the accounting systems. If management needs more data or more detail, the existing accounting systems should be modified.

Data quality in the accounting systems is of great significance. Unfortunately, even in large organisations they have a big share of incorrect or missing information. Undoubtedly, BI tools when working with incomplete, contradictory or incorrect information will yield no positive results.

There are other risks that are specific to individual companies. They are diverse and can be a topic of a separate article!

O: What might be a typical in-house/outsourced balance – in terms of

resource allocation – for a business intelligence project, and what might a typical leadership team look like?


YZ: The balance depends on the state of source information and the availability of qualified professionals that are able to formulate the task and define project frames. A BI project and resource allocation can hardly be standardised. Each new project is about a new company, new problem, new data set, new array of accounting systems, and new customer team. Therefore, a balance should be found for each specific case.

A leadership team cannot be "typical" either. One can speak only of general recommendations. The customer leadership team should include at least one person who understands the essence of the problem to be solved and is interested in its solution. Also, a business specialist (business user) who has authority to address methodological issues during project execution is needed. Typically, organisations allocate their best expert, which is right. However, in many cases such a specialist is the most loaded person in the company and this may delay the project. It is also very important to have qualified consultants on existing data sources. From the developer side, experts in ETL, Data Warehouse and BI instruments are required.

O: What in your experience are the key success factors for business intelligence outsourcing?

YZ: The key success factors are: Clear objectives. The task is to solve a specific business problem and not to create a BI system as such.

Foreseeable time frames. It is better to have many small projects with quick results than one big project that lasts 2-3 years.

Training of customer professionals in BI technologies. IBA has positive experience when customer IT specialists and business users were trained in BI before project launch. It improved customer's understanding of their requirements and needs, resulting in higher quality project scope definition. 



"There is no method but to be very intelligent." – TS Eliot