Business Intelligence COE

Defining the Role and Purpose of BI Center of Excellence

Data Meaning

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Definition and Purpose

Organizations across all industries continue to invest in technological solutions to improve and better business processes with a desire to favorably impact the bottom line. CIOs during the past three years have ranked business intelligence initiatives as a #1 priority.

Technology executives bear continuing pressure to improve information systems and enable more effective decision-making. Fragmented departments that often operate in a "silo" mentality lack an enterprise approach, which ultimately impacts the fully realizable benefits of a governed solution focused on business intelligence.

As industry markets become more competitive, aligning strategic and business goals with the related technology investments only becomes too clear an objective. A Business Intelligence Center of Excellence ("BI COE") is a developed capability that spans multiple departments within an organizational enterprise. This capability fosters growth and development with a keen focus on governance and adaptability as it relates to information management.

The capability starts with a defined approach in mind for broadening the use of information and data as commodity. It is a comprehensive approach that is founded in strategic goals shared by both functional and technical leaders. These goals align needs and resources while mitigating risks associated with implementations. The capability in its most native format speaks to a "needs-based" and "outcomes-based" approach focused on the desired end-state with a framework consisting of **people, processes and technology.**
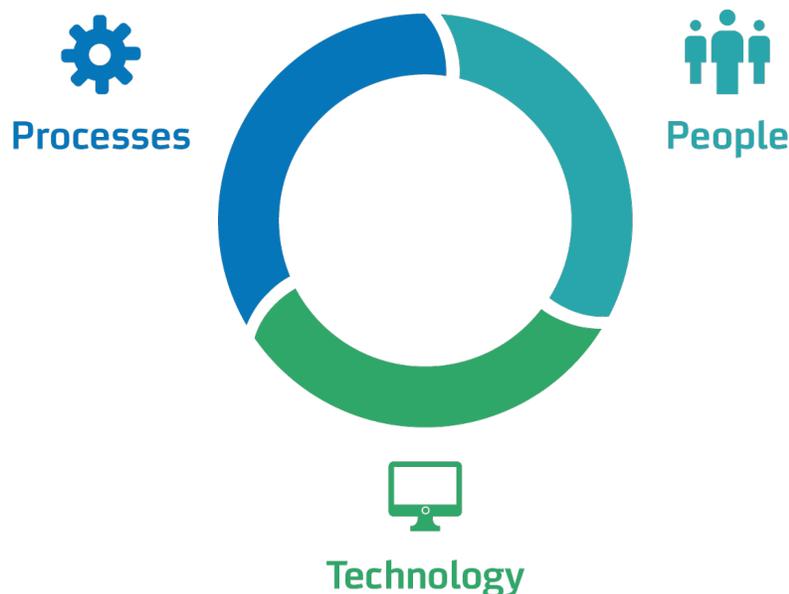

Figure 1: Desired framework consisting of people, processes and technology.

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The Nature and Evolution of Information

Organizations find challenges in developing the right assertions from information and data because they haven't developed an integrated and governed capability to support the lifecycle of information. All too often we find disparate tracks and efforts that do not translate to a more coherent and organized effort to truly utilize information and data and make informed decisions.

A competitive advantage can be achieved once organizations can directly correlate historical events with potential future events. This correlation can only be supported with organizational capabilities that can translate the information needs and align with respective technology solutions.

Discovering these correlations and standardizing them creates a repeatable capability that allows organizations to gain insights into their information and data to begin predicting future events that will impact outcomes.

All organizations possess a plethora of data and there is a natural "evolution" of how this data is sourced, developed, deployed and managed.

Generally, and often, we see the following cycle to be most characteristic in the evolution of information:

Ad-Hoc & Standardized Reporting — *"What's happening?"*
Tactical Reporting & Analysis — *"What's happening and WHY?"*
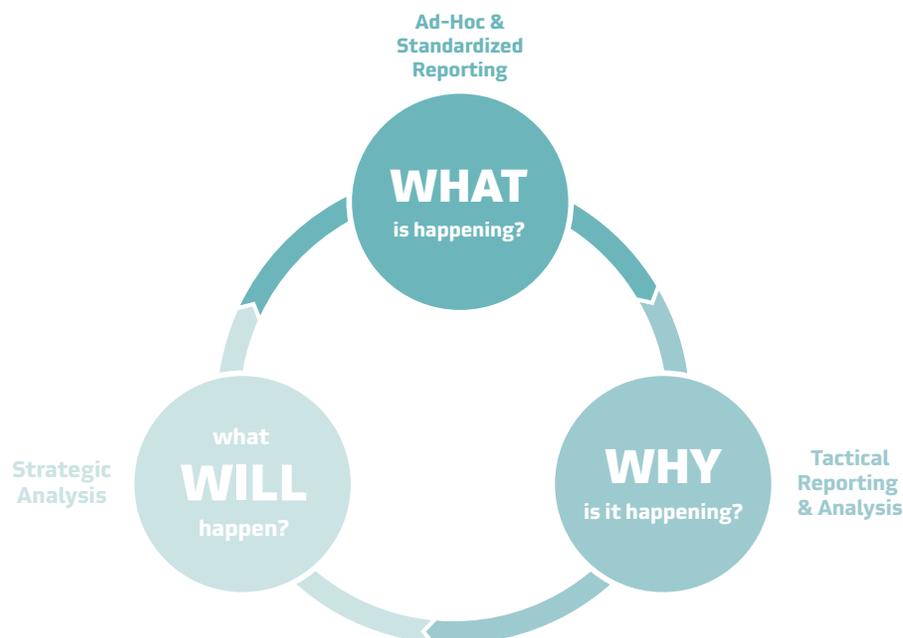**Strategic Analysis —** *"What WILL happen?"*

Figure 2: The natural evolution of how organizations consume data.

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Assessing Your Readiness

Establishing and understanding the organization's readiness for implementing a BI COE is equally important as gauging awareness of willingness to do so.

Some key questions to consider:

- Is there sponsorship from the executive board in support of the BI COE?
- Are their departmental leaders who are willing to be advocates for the BI COE?
- Do organizational associates possess the necessary and relevant skill sets to support the BI COE?
- Does the organization possess the right tools and technology to support the BI COE?
- Are there issues with data quality and how is the organization grappling with these issues?
- Does the organization possess a recognized need for standardizing data definitions?

Affirmation of the aforementioned logically represents that an organization is positioned for the implementation of a BI COE. Any future success and recognized rewards of a BI COE is fully predicated by sponsorship and advocacy from executive management and top organizational leaders.

The support of C-level executives is paramount and this should be first step of establishing a BI COE before preparing a written charter and establishing a strong a business case to justify the means to the end.

All organizations should bear in mind that organizational leaders should consist of both technology and business executives. Modern-day centers of excellence thrive on such a partnership as this model helps to define and drive objectives with common goals in mind.

Realizable Benefits & Associated Success Criteria

While the benefits of a BI COE might appear to be obvious and logical, it must all begin with unified agreement and full justification. This agreement and justification is founded in understanding any associated benefits from such an effort. Directly tied into these benefits are success criteria the organization might recognize as part of the overall effort.

Planning an implementation of a BI COE that has far-reaching consequences can be complex, particularly when organizations are trying to "do more with less". Resourcing an effort can also be complex with multiple and competitive organizational goals and objectives. Stating the aforementioned also recognizes the fact that the benefits far outweigh the effort.

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We can cite the following tangible benefits of a BI COE:

- Decrease in resourcing and staff expenditures
- Exploitation and preservation of organizational investments in technology
- Better and increased abilities for informed decision-making
- Better user adoption across the enterprise of BI capabilities
- Increased likelihood of successful project execution and overall reduced risk

While not immediately evident, we can also cite that individuals throughout the organization begin to garner more satisfaction in their roles through the efficiencies that are achieved by a BI COE. This manifestation of increase job satisfaction is tangential to all organizational goals throughout all departments and the clear benefit is that individuals feel rewarded and passionate about making a positive impact.

Structure, Roles & Responsibilities

While there are centralized and decentralized models that support a successful BI COE, it is highly recommended to consider a hybrid approach to encourage and enforce cross-organizational accountability and responsibilities. Rarely is it the case that an organization would directly hire individuals and associates to fulfill full-time roles in a BI COE.

This hybrid approach is defined with organizing a steering committee that consists of executives across functional, business and technology departments. The steering committee exists to foster decision-making and provide overall direction while ensuring that those decisions are fully asserted and validated.

The hybrid approach also implies that the BI COE is a virtual entity and responsibility shared across departments as follows:

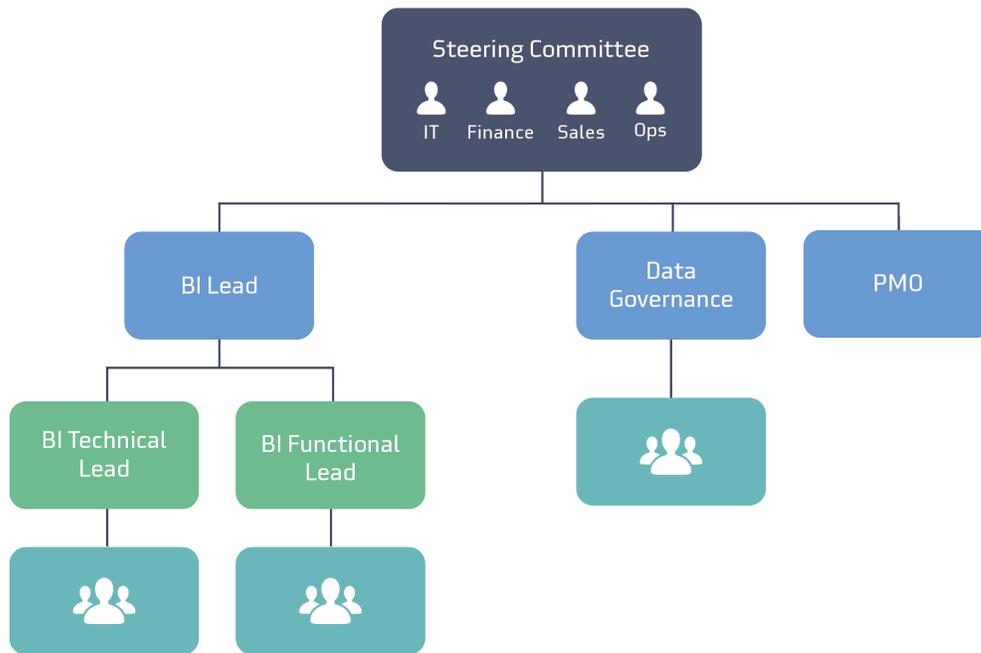# Defining the Role and Purpose of Business Intelligence Center of Excellence

Figure 3: Structure of hybrid approach to BI COE.

Steering Committee

This group is generally comprised of executives and C-level personnel. These individuals provide direction and alignment to company strategic plans, validate key decisions for the BI COE and approve the financing and budgetary requests. Approval and support for BI COE activities should come from the top-down in order to propagate the organization's objectives. Senior level support is also critical to the implementation and acceptance of a BI COE across the different organizations.

BI COE Lead

Acts as a supervisory role and represents the department to the steering committee as well as directly interacting with the PMO and the Data Governance committee. Ensures that all members to the BI COE are conducting the processes to company standards and best practices.

Data Governance

The role this group plays into the BI COE is that they preside over the foundation of the BI COE. This group consists of a Data Security Analyst, a Subject Matter Expert, and a Data Quality Expert. These roles may be kept apart or fulfilled by members already existing within the BI COE. The importance of a Data Governance Subset is that it helps provide structure with regards to information access, ensures that developers and users are functioning within reasonable standards, and checks the validity of the data.

PMO

This role incorporates project outlines and conveys the general project timetable to the BI COE. Aligning resources, this role lays out the necessary allotted project deadlines and forecasting of projects. Interacts directly with the BI COE lead in order to coordinate efforts.

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Choosing a Partner

The road and journey to a successful implementation of a BI COE appears arduous to most, but it is a dynamic one nonetheless and partnering with an organization with a non-partisan perspective promotes effective decision-making and appropriate planning. A firm under consideration for such a partnership should bring valuable industry and domain expertise to the table and be prepared to assist in the honest evaluation of a potential client's capabilities and deliver transparent recommendations.

Should you consider a partner that only maintains expertise in a specific tool? Likely not, as these partners cannot consistently display objectivity. On the opposite end of the spectrum, should you consider a partner that has infinite capabilities with respect to technology offerings? Perhaps not, since these firms lack focus.

The best and most beneficial approach would be to choose a firm that focuses first on business intelligence as a discipline and partners with top-leading BI software vendors and providers. However, this partner should also assert capabilities in project delivery and management.

Your future partner for implementation of a BI COE should demonstrate technical and functional awareness of data and information as a commodity. A firm with experience in understanding, developing and fostering key business drivers will ultimately win your business. These aforementioned firms possess the ability to assist their clients in building capabilities with the sole goal of knowledge transfer.
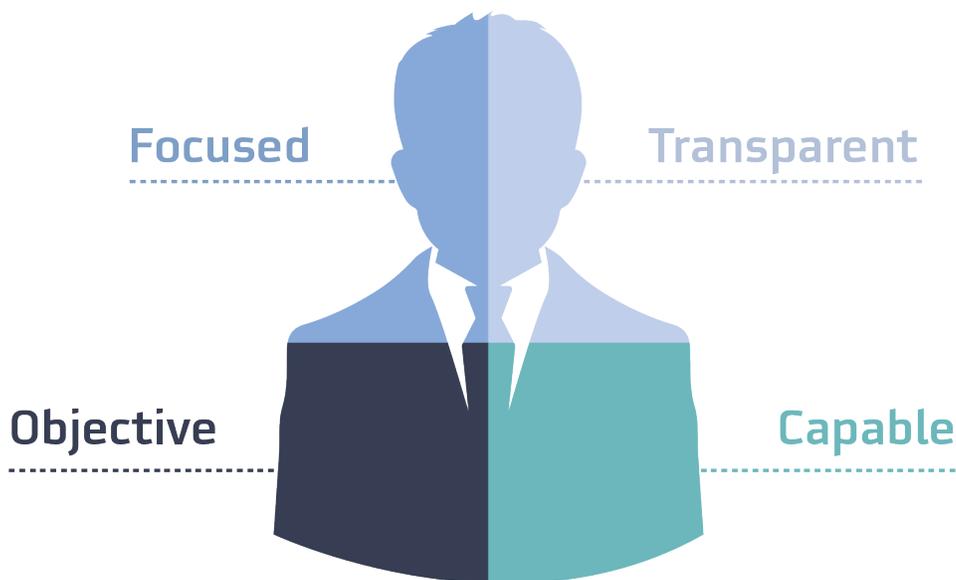

Figure 4: The four elements that organizations should look for when choosing an ideal partner.