

# 5 Must-Haves in your Information Management Strategy during Challenging Times



**A**s businesses navigate today's challenging environment, budgets are tighter and the appetite for risk is non-existent. Hence it has become critical for success – even survival - to leverage each opportunity, maximize value from every available resource and closely track operations within an increasingly competitive landscape. The primary enabler for extracting 'maximum business value' is none other than meaningful, real-time information.

The onus of providing such timely information rests with the CIO and his team. In fact, studies indicate that worldwide, an overwhelming majority of CIOs see significant change coming over the next few years as they prepare to meet rising business expectations for IT to contribute to enterprise strategy. A top priority ahead for CIOs in meeting this changing business need is to treat information as a strategic asset.

## Challenges and Constraints

In recent years, the growth of enterprise data has become a challenge in itself. Businesses across the board are struggling to convert the deluge of data they create into meaningful business insights. Despite operating in an age of information and technology explosion, in reality, making actionable information available to all

stakeholders without burdening IT remains a challenge.

This challenge is aggravated by the fact that IT spending is likely to be flat or negative for some time to come. A 2009 Deloitte study confirms that 43% of companies in the US and Europe are cutting back their IT spend and nearly 30% are scrutinizing IT projects for better returns.<sup>1</sup> This clearly indicates that the resources required to tackle the challenges are not going to be adequate.

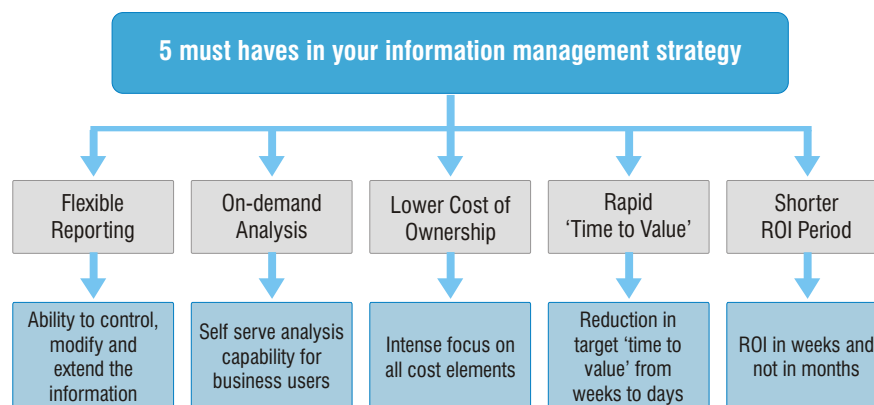
On the other hand, business situations are becoming increasingly dynamic and are evolving at a rapid pace, making the availability of meaningful information even more critical. For instance, a Marketing Manager, who is concerned about allocating marketing budgets more efficiently, would want to know which channels delivered the best returns in the past. If she does not have ready access to this information, she is likely to spend a significant amount of time gathering it or allocating budgets to sub-optimal channels resulting in lower returns.

Therefore, in an environment where timely and meaningful information is critical for survival and resources are severely limited, it is very important for organizations to focus on strategies that will help them meet the growing information needs of their users while achieving better cost and time

<sup>1</sup> Page 9 Global Economic Slowdown and its Impact on the Indian IT Industry, Deloitte 2009  
<http://www.deloitte.com/india/files/IT%20Recession.pdf>

# The Five Must Haves

Here are 5 'Must Haves' in a CIO's Information Management Strategy that will help make actionable information available to all stakeholders while minimizing cost, time intensive implementation and ongoing IT overhead.



## ① Flexible Reporting

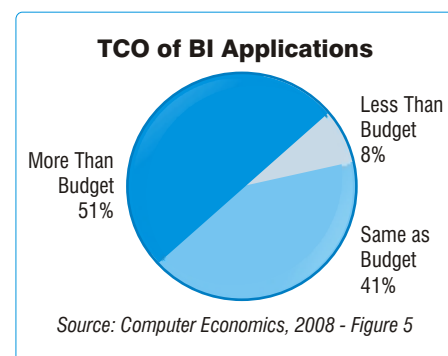
Speed and quality of decision-making depends on the degree of control and flexibility that decision makers have over the information presented. They should be able to interact with, modify & extend the information depending on their dynamic information needs without any dependence on IT. For instance, if the Marketing Manager mentioned earlier wants to see the performance of different channels by product category instead of by quarter, she shouldn't have to request IT and wait. She should have the capability to modify the report to be able to gain insights herself.

## ② Real-time & On-demand analysis

To gain deeper insights into business situations, decision makers need to be able to analyze data without the limits of prior aggregation. And to make that possible, one must have access to 'here and now' information through self-serve analysis. For instance, if a Plant Manager needs to review productivity by day or hour instead of by month or week, he should be able to drill down all the way to raw data on production rather than be limited by monthly or weekly aggregated data. Moreover, in a rapidly changing business environment, if the time taken to make analyzable data available is too long, the dynamics may change making the information itself irrelevant.

## ③ Focus on ALL elements of Cost of Ownership

While considering cost of ownership, CIOs should look at minimizing every component. Typically, 80% of the cost comprises Implementation, Hardware & Software Infrastructure, Ongoing Maintenance, Training and Consulting Services costs, etc. For example, a solution that requires minimal training and enables even novices to use it with basic orientation, lowers implementation cost and time. Or a solution that leverages desktop computing infrastructure and does not use server computing resources, minimizes hardware and software investments.



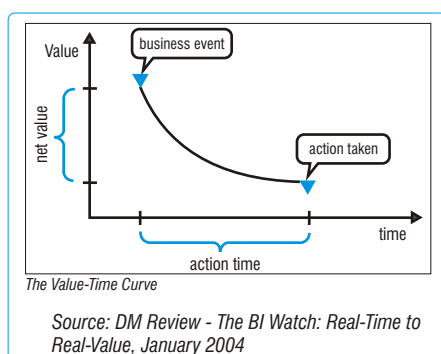
A 2008 Computer Economics study on Business Intelligence Adoption Trends and Economic Experiences reveals that over 50% of enterprises surveyed experienced higher than budgeted spend on BI implementations and only 8% achieved below budget implementations.<sup>2</sup> An intense focus on all aspects of cost could have helped ensure a significant change in these results.

<sup>2</sup> Computer Economics, Business Intelligence Adoption Trends and Economic Experiences, 2008

#### ④ Achieve 'Time to value' in days

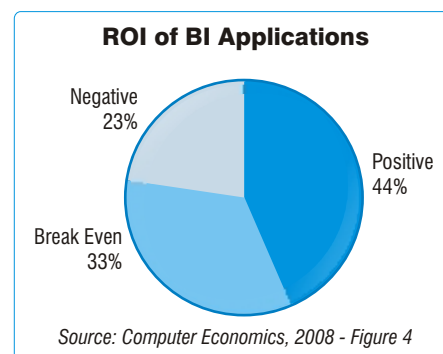
To address 'today's' needs, it is important for CIOs to challenge the paradigm of 'Time to Value', which is weeks and sometimes even months. What is required instead is to be able to begin delivering value in days.

A short 'time to value' translates into early accrual of business value, lower cost of implementation, greater agility and ability to leverage new opportunities.



#### ⑤ Achieve ROI in weeks

The current reality of ROI experiences is demonstrated by another data point from the Computer Economics study discussed in #3 above. It indicates that, of the 200 enterprises surveyed, over 50% did not achieve positive ROI from their BI implementations even two years after implementation.<sup>3</sup>



This presents an unacceptable scenario in today's environment, which mandates not only a positive return but also that it should be achieved in 'weeks' instead of 'months' or 'years'. It is quite obvious that to achieve an aggressive ROI goal of weeks, it is essential that 'must-haves' #3 and #4 are achieved.

The good news is that challenging times can also bring with them new opportunities. These 5 Must-Haves provide an effective guideline to enable CIOs help their businesses take advantage of these opportunities by providing meaningful information to users, while delivering accelerated value and achieving cost leadership.

<sup>3</sup> Computer Economics, *Business Intelligence Adoption Trends and Economic Experiences, 2008*