Modern Business Intelligence Platform Value, A Point Focal White Paper

Platform Value

Quantifying the value of modern business intelligence platforms is a complex analysis essential to optimizing BI ecosystems. An abundance of vendors and applications operate in the intensely competitive space which itself is in a hyper-growth phase of evolution wherein disruption has become a stable state. Failure to accurately assess platform value is extremely expensive and prevents businesses from realizing optimal operating models.

Appropriately, there is renewed focus on determining whether a BI ecosystem capturing, transforming and processing data to produce beautiful visualizations actually drives decision-making that impacts income statements. Businesses must continually and critically assess the value proposition of their investment in modern BI platforms to achieve a cohesive strategy that spans people, processes and systems.

Two critical value components of modern BI platforms are frequently overlooked yet have the capacity to define success or failure. The cost of technical debt unknowingly assumed by business users can cripple BI models. Separately, there exists massive, but often dormant, value in the ability of a modern BI platform to be molded into unique applications producing valuable solutions.

Hidden Costs

Historically, vendors and clients purposefully implemented modern BI platforms without IT dependencies. Vendors recognized business users as change agents seeking rapid insight incompatible with a lengthy and expensive software development life cycle. This environment facilitated platform adoption and pervasive utilization across business use cases in which the hidden cost of success became greater than the explicit cost of failure.

Business users allocating time to produce insight, but failing to generate quantifiable value represented a relatively low-cost R&D expense for an organization wherein the expense consisted of the business user's time and the cost of a low-profile BI application. Conversely, business users successfully generating quantifiable BI platform value simultaneously produce technology challenges as complex proof-of-concept analytic models require mature, scalable, enterprise-style implementations.

It is at this pivotal point that a platform's ability to cost effectively mature from an isolated POC to an enterprise BI ecosystem reveals the hidden cost of technical debt. Many platforms require additional tools to collect, wrangle, transform and process diverse content sets in order to be

compatible with production component infrastructure not present in a POC environment. Partnerships with additional single-function vendors may be required to achieve business outcomes in production environments. Moreover, the BI platform will be challenged to demonstrate performance at scale whilst being flexibly integrated into business process models.

Without a mature BI platform the cost of additional tools, partnerships and performance degradation – along with the human capital required to address these shortcomings – will be painfully realized.

Modern BI Platform Hidden Cost Equation
additional tools + additional partners + performance degradation = technical debt

Assessing the hidden cost equation before, during and post implementation is a transparent approach to quantifying an important component of BI platform cost. The process encourages a model of continuous assessment and can enable you to select (or re-select) a BI platform with the appropriate level of maturity to support unique production demands without new funding.

Dormant Value
One of the great value components of the modern BI platform is its capacity to become a custom application. BI platforms are regularly assessed on capabilities across ingestion, exploration, transformation and visualization; core functions that deliver value when executed in isolated use cases. Platforms seamlessly integrated into business process models can deliver more compelling results. The value capture in terms of operational efficiency and risk mitigation from workflow integration is limited only by the flexibility of the BI platform and the creativity of resources.

Technology teams often internally develop custom applications to solve critical, but non-core, business challenges. Development cost is high and resources are diverted from high-value proposition work. Additionally, expensive support and maintenance models are ultimately required. Before committing to new development funding it is worth exploring a modern BI platform solution.

This approach requires a mature platform that is flexible, scalable and extensible. Many internally developed custom applications ultimately provide BI-type functionality by consuming, transforming and rendering information in the form of monitoring, alerting and reporting. However, functional gap analyses between target applications and implemented BI platforms are rare. If such analyses are executed without revealing critical gaps than your BI deployment has the capacity to transform your technology solution environment.

A common financial services use-case involves reconciliation risk producing exposure across mission critical structured and semi-structured content sets. The traditional approach to mitigate the risk is allocating development resources to produce custom reconciliation applications, resulting in multi-year, multi-million dollar application development. By comparing functional requirements with your Business Intelligence ecosystem capabilities a nontraditional modern BI platform may yield a compelling solution.

Rather than allocating teams of resources to build a complex, custom application leveraging a modern BI platform to produce a flexible, secure, minimally viable product can achieve ambitious risk excellence goals. A proper enterprise implementation can ensure the solution adheres to corporate information security standards and audit requirements that elicit strong support from enterprise risk management.

Material development costs can be saved while allowing technology to remain focused on core application development. The solution is automated and transparent and time to market is rapid. Unlike traditional application deployments in which enhancements require a full SDLC a modern BI platform solution adapts quickly to content set and business workflow changes.

Modern BI Platform Dormant Value Equation
mature BI platform – application development – time to market = custom BI value

Value Conclusion
Integrating BI solutions into people, processes and systems to maximize value can only be executed with truly robust platforms. Immature or niche platforms that do not comprehensively span the data life cycle will be challenged to produce custom BI solutions and fail to realize this material value component.

Importantly, the technical debt and dormant value equations are negatively correlated. Identifying a modern BI platform that minimizes technical debt is highly likely to ensure the platform also captures dormant application value. Including these value components into your BI platform assessment can save material time and money while ensuring your BI model is optimized.

Modern BI Platform Value Equation
hidden cost of technical debt + dormant value of custom solutions
= modern BI platform value