Business Intelligence - Should you settle for a single BI solution?

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Introduction

Often, when researching or reviewing business management software (ERP, finance, e-commerce, BI, CRM etc.), you will come across vendors and resellers professing a 'single source of truth'.

Understandably, this is an attractive proposition and one that we ourselves aspire to offer clients in the right situation. However, the data from across the world of software adoption, particularly business intelligence (BI) solutions, tells a story of what users want and how they use technology to get the information they need.

According to Forrester, 85% of organizations use two or more BI platforms, with 61% of organisations using four or more and 25% of organisations use 10 or more solutions.[1]

In this white paper we review how realistic, or desirable, the outcome of a single system to manage and report on every single aspect of your business is, particularly in the context of business intelligence solutions for finance departments in scaling businesses.

Beyond defining what a BI solution is, and providing a summary of the current market, this whitepaper will discuss the challenges and associated costs of user adoption and the ways in which a multi-BI strategy can empower your organization to have better visibility over your data in real-time, improve engagement your stakeholders, and enable you to make data-led business decisions.

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[1]https://www.forrester.com/blogs/the-bi-fabric-baby-is-slowly-but-surely-growing-up/

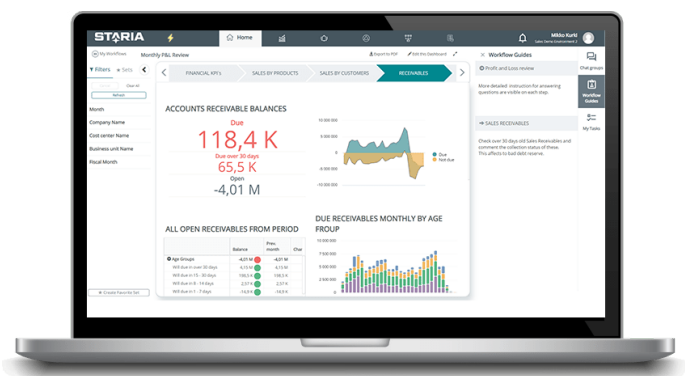# What is Business Intelligence (BI) and why use it?

Business intelligence tools are a type of software used to gather, process, analyse and visualise large amounts of business data including past, present a predicted future data. This creates in-depth business insights and interactive reports which allow the businesses to streamline the decision-making process and create fast and impactful business decisions.

Often, BI solutions are considered by businesses at the point where the data being produced by their core systems outgrows the business' ability to obtain valuable information from that data. That is to say there is too much detail from, and in, too many places to be able to quickly and easily see what they need to see to make informed decisions.

With the sole aim of providing quicker, more digestible, and user-focussed information, BI tools normally boast an attractive, clean, and simple interface. The top level is often dashboard driven with KPI focussed information and reactive color-driven portals. The detail behind the dashboards is discussed later in this paper, but it is worth noting that the concept of dashboards and versus a number-heavy, detailed report is one of the best examples of a need for a multi-faceted BI approach.

Without oversimplifying, high-level dashboards are generally ideal for target-focussed functions (sales or customer service) where there is a requirement to react to an overall fixed number. For functions such as finance, where detail is paramount and targets evolve on a daily (sometimes hourly) basis, the value in the BI solution comes from the detail behind the dashboards, rather than the dashboards themselves.

Historically, due to affordability and complexity of implementation, BI tools were often considered by large and enterprise level businesses. **With the advance of business management software, a shift to cloud-based technology, and drastic increases in the capability to capture data, Gartner (2022)[2] recently reported that just as many small-to-medium-sized businesses were investing in BI software as large organizations**.
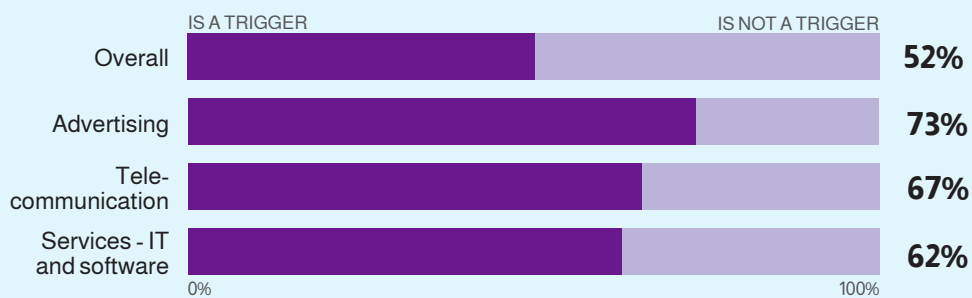

[2]https://www.gartner.com/ngw/globalassets/en/digital-markets/documents/software-market-guide-bi-data-analytics.pdf

From the businesses surveyed, **the three most common reasons for adopting BI were: productivity improvements; competitive pressure; and outgrowing current technology**. Notably, software and service companies as well as accounting services were both above average in adoption for productivity and outgrowing current tec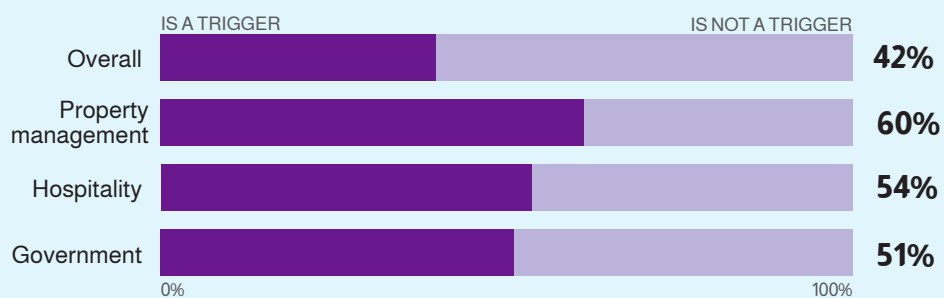hnology respectively. The data also points to a sea change both in terms of the teams and functions purchasing the software and its intended use. In-line with the theme of this paper, it appears that moving forward, there is much more focus being placed on individual functions and users being able to utilise their software to manage advanced analytics, as opposed to traditional summarized reporting.

Top 3 factors triggering investment in BI and analytics software

Needed productivity improvements

	IS A TRIGGER	IS NOT A TRIGGER	
Overall			52%
Advertising			73%
Tele-communication			67%
Services - IT and software			62%

0%   100%

Competitive pressure

	IS A TRIGGER	IS NOT A TRIGGER	
Overall			42%
Property management			60%
Hospitality			54%
Government			51%

0%   100%

Outgrew current technology

	IS A TRIGGER	IS NOT A TRIGGER	
Overall			40%
Accounting			53%
Investment services			52%
Energy/utilities			50%

0%   100%
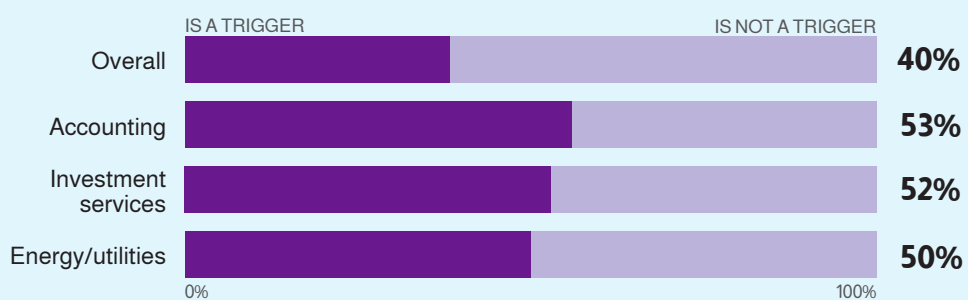
Source: Gartner - Digital Markets 2022 Global Software Buyer Trends Survey, n=2,028[2]

The Current BI Marketplace and Consumer Considerations

Current software market-share

TrustRadius (2021) found that the leading BI software providers are Microsoft Power BI, Tableau Desktop and Qlik Sense. These three solutions boast a joint market-share of 67%, with Power BI dominating at 36%.[3]

Its popularity is most likely due to its easy-to-use interface which offers familiarity for finance-led buyers who favor Excel. With a free desktop version for available individual users to build reports for themselves, it is an attractive first step for many SMEs on their business journeys prior

to investing in a cloud-based and collaborative platform (Power BI, or otherwise).

The next two most popular BI tools are Tableau and Qlik Sense have more specialised features with Tableau excelling in data visualisation and Qlik Sense having a strong data analysis capability.

The split of the three most-deployed solutions and the reported different reasons for selection perfectly illustrates the core concept of this white paper - that there is no 'one-size-fits-all' approach when it comes to business intelligence.

Market Share of Top Business Intelligence Software in 2021
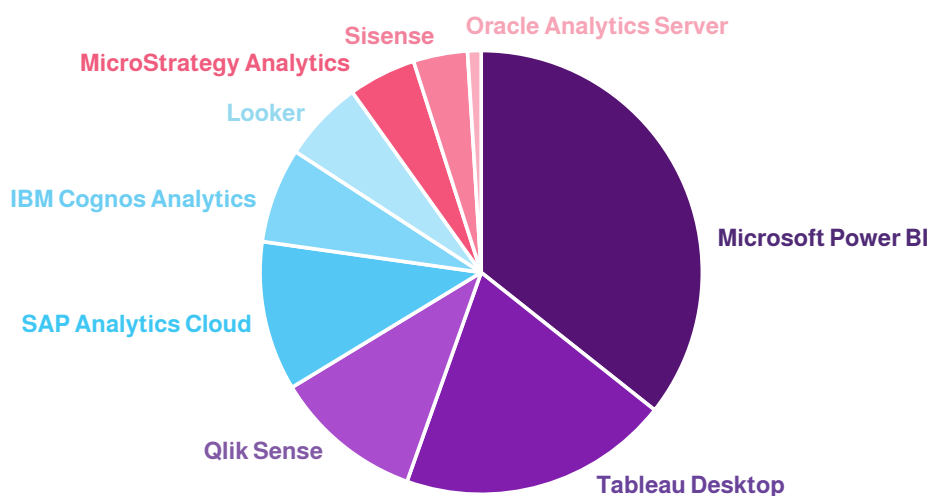
Source: TrustRadius (2021)[3]

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[3] https://www.trustradius.com/vendor-blog/business-intelligence-statistics-and-trends

Who is involved in the buying process?

As alluded to in the first section of this paper, the businesses, functions, and individuals who require, and use, BI solutions in today's market has evolved.

The main takeaway seems to be that the advancement of technology has both created the need for improved visibility of data, whilst simultaneously making the tools required more accessible and affordable.

In 2022, Gartner reported that '**[on] average, four to six members are typically involved in researching, evaluating and purchasing software options', with 18% of businesses surveyed including 10+ people in their process**'.[2]

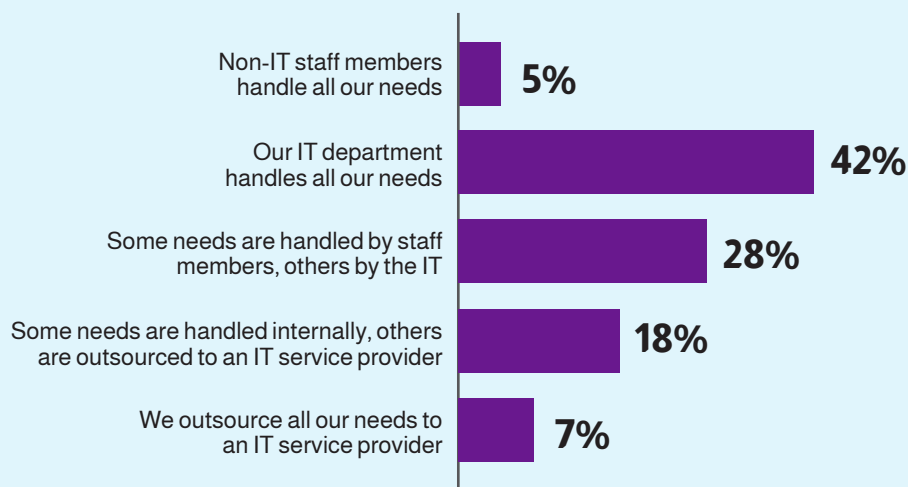With this evolution has come the introduction of new requirements and new personas who wish to improve their reporting capability. This can lead to challenges, not only in software selection, but in the deployment and adoption of a solution trying to service varying specific requirements.

IT remains the most common presence in the discussion with 42% of businesses responding that their IT function manages all of their technological needs.

As detailed in a later section, finance and management (unsurprisingly) are normally the two functions within a business with the highest distribution of access to BI tools.

Given the complexity of the decision, and the number of perspectives being considered, it is worth analyzing what buyers consider to be the most important elements of potential BI solutions.

Background of stakeholders

Category	Value
Non-IT staff members handle all our needs	5%
Our IT department handles all our needs	42%
Some needs are handled by staff members, others by the IT	28%
Some needs are handled internally, others are outsourced to an IT service provider	18%
We outsource all our needs to an IT service provider	7%

Source: Gartner - Digital Markets 2022 Global Software Buyer Trends Survey, n=2,028[2]
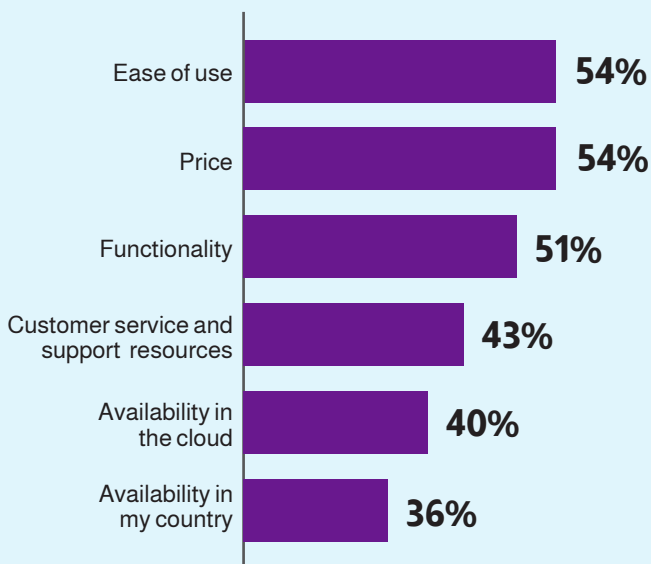
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Decision-making criteria

In the same report compiled by Gartner, ease of use and price ranked equally when it came to the most important factors influencing purchasing decisions.

There are several key takeaways from these figures, but perhaps the most telling is that ease of use (54%) outranked functionality (51%).[2] Whilst the difference is marginal, it shows a user-mindset which is focussed on self-service reporting as opposed to one which relies on technical resources, inside or outside of their organization, to produce a higher quality output.

This is even more interesting when reviewed immediately after the analysis which shows the involvement of the IT function within the business as part of the purchasing decision. Why is IT so involved in the purchase of a solution which seems to be required to remove a dependency on it.

Combining all of the evidence above, with other industry stats demonstrating a shift in the industries and users of BI, alongside (e.g., Forrester) reporting that businesses use numerous BI tools, **it seems that the case for a multi-BI approach with low-technical requirements is perhaps the most fitting for scaling businesses who require detailed analysis tailored to each department.**

Top 5 factors influencing software purchase decisions

Factor	
Ease of use	54%
Price	54%
Functionality	51%
Customer service and support resources	43%
Availability in the cloud	40%
Availability in my country	36%

Source: Gartner - Digital Markets 2022
Global Software Buyer Trends Survey, n=2,028[2]

Varying BI needs for medium-to-enterprise level organizations:

How is BI being used?

Interestingly, and in contrast to the picture painted by the data of influencing purchasing factors (which seemed to indicate users looking for flexible, user-centric solutions), data into BI usage seems to paint a picture of top-heavy, complex, management-led business-wide approaches, with a default leaning towards financial reporting.

Unsurprisingly, of the businesses surveyed, 85% use their BI solution for standard/enterprise reporting, this is followed closely by ad-hoc reporting (79%) and Dashboards (76%).[4] This usage aligns perfectly with the description of a traditional BI solution from the introduction of this paper.

Classic BI is still the backbone of information distribution

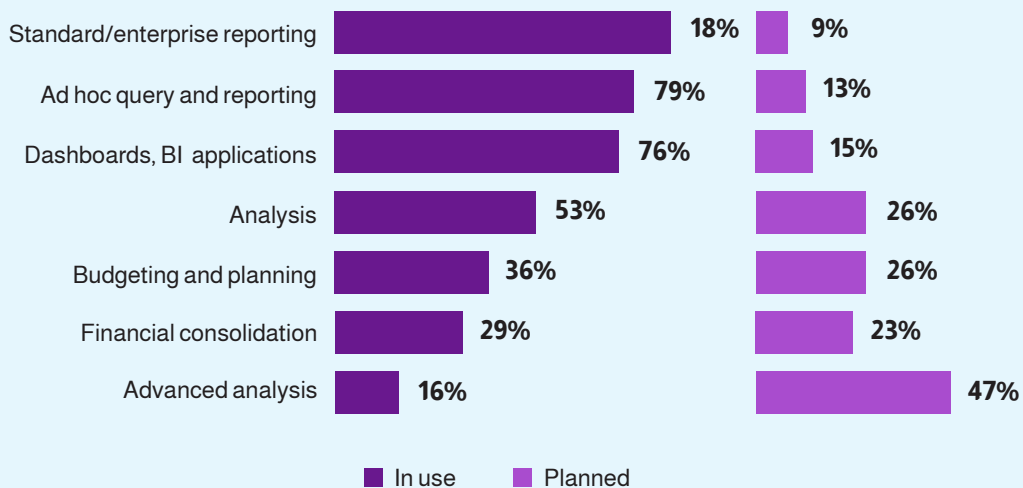|	In use	Planned
Standard/enterprise reporting	18%	9%
Ad hoc query and reporting	79%	13%
Dashboards, BI applications	76%	15%
Analysis	53%	26%
Budgeting and planning	36%	26%
Financial consolidation	29%	23%
Advanced analysis	16%	47%

■ In use ■ Planned

Figure 36: Do you use or plan to use your product for the following tasks? (n=2,479)

Source: The BI survey by BARC Research[4]

It is not a bad thing that businesses use their BI solution for this. These kinds of reports are exactly what BI solutions are built to do at their core and are critical to managing the fundamentals of the business and keeping the doors open.

What is telling, though, is the gap between standard BI usage at the top of the chart versus application of the technology to perform advanced analysis (16%) or even budgeting and planning (23%).[4]

When it comes to growing, and in particular scaling businesses, survival is normally only achieved by paying microscopic attention to detail and preparing to avoid any potential pitfalls, especially financially.

Equally, scale (as in rapid growth) is usually achieved when businesses can identify and take advantage of new and unique opportunities to improve their product and service, allowing them to create new and often fine margins between their offering and competitors. As a result, ensuring the right people within the organization have access to the information they need to spot these gaps becomes critical.

It is worth noting that in the survey above, advanced analysis and budgeting are the two largest focusses for users to enhance their use of the technology. This certainly aligns more with trends reflected in the buying process, shining a light on the need for users to have control over their ability to create reports which give them the depth of information they need to answer specific queries rather than looking at high level data generalized for multiple viewers.

Who has, and who should have access to BI?

As you may expect, the data shows that the heaviest users of BI software is usually Finance & controlling (80%) with Management in second place (65%) and Sales an honourable third (60%).[4]

The reason this may not be a surprise is that finance is inevitably the heartbeat of every business. Everything in or out tends to touch finance at some point (where it may not others), and their job is to analyze numbers to ensure the business functions as it should.

Management will likely use the same analysis as finance does, and in most cases are probably led by, or rely on finance to guide them through the reports anyway.

Sales normally has a different requirement, which is not unrelated to finance as orders inevitably become invoices, but traditionally, sales would tend to utilize BI to track performance against targets, track margins and look to identify new target markets within the data to sell more.

Two key takeaways from the data, particularly in the context of advocating for a multi-BI strategy, would be:

1. Even within the top three most common users of BI, there is varying levels of adoption, with different requirements from the data and completely different availability in day-to-day roles to spend analyzing information.

2. On a pretty visible sliding scale, other departments are less empowered to drive value from solutions as finance are often (perceived to be) gatekeepers of data and reporting due to their involvement and job role.

Without taking too big a leap, the evidence seems to point to the fact that **whilst finance teams are the heaviest users of BI tools, even they are not achieving the value they could be from it**. This is largely down to their inability to quickly and easily obtain information required without involvement from, or impact on, other departments.

Therefore, a logical conclusion would be that different business functions would benefit from having their own dedicated, user-friendly (no-code) BI solution to empower them to own their reporting and drive value for the business by identifying opportunities or threats in the data which they would not have been able to access otherwise.

Reaching more users in more departments creates higher value

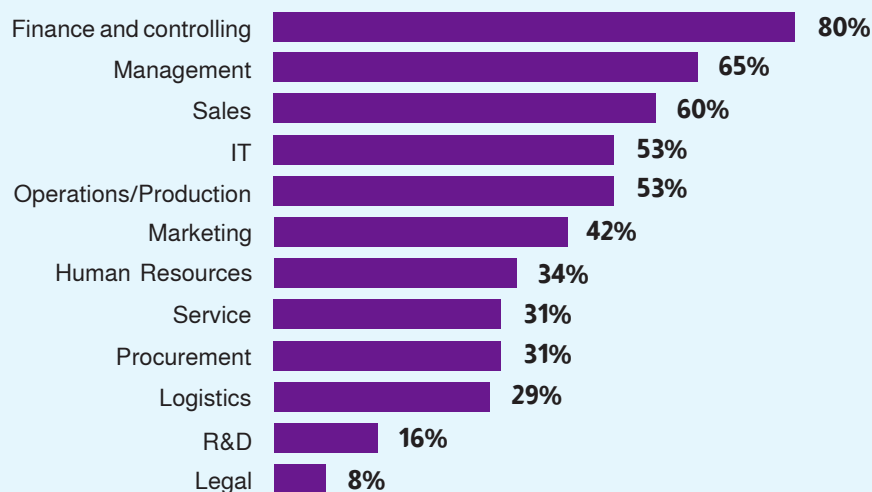| Department	Percentage
Finance and controlling	80%
Management	65%
Sales	60%
IT	53%
Operations/Production	53%
Marketing	42%
Human Resources	34%
Service	31%
Procurement	31%
Logistics	29%
R&D	16%
Legal	8%

Figure 31: Which department in your organization use BI application(s)? (n=2,550)

Source: The BI survey by BARC Research[4]

Why adoption is key to getting value from your BI Solution:

"The most expensive BI tool is the one that nobody uses!"

According to the BI & Analytics Survey conducted by BARC, the average adoption rate of business intelligence tools amongst employees in medium to large organizations is a meagre 15%.[5]

Whilst there may be various reasons for this, Borris Evelson of Forrester cites '[L]ack of personalization and utilizing one-size-fits-all user experiences are among the multiple reasons for low adoption levels.'

Based on the evidence relating to a change in user mindset (already shared in this paper),

coupled with data from a recent survey which identified "self-service authoring tools (73%), data preparation tools (48%), and embedded BI/analytics (38%)" as critical factors to increasing adoption, it seems Borris almost certainly has a point.[5]

In the real world, day-to-day, what does this 'personalization' or 'self-service' look like?

Well, if we use finance as an example, given that they tend to be the heaviest users of BI (and that finance is also Staria's area of expertise), the secret to self-service lies in the ability to access and query the data behind the dashboards and summaries.

[5]https://barc-research.com/bi-analytics-survey-23/

The beauty (and sometimes frustration) of reports is that they normally generate more questions, which need more reports. **If users are restricted to set reports, it is incredibly unlikely they will find anything new from a fixed data set.** Likewise, their enthusiasm will dwindle if, every time they see a potential new route to follow, they need to stop and reach out for technical assistance which inevitably slows things down and doesn't always deliver on the specific request.

And this is only looking from a reporting perspective – if we're discussing the value of software for finance teams, we should be focussing as much on the budgeting and planning capabilities of software as we are reporting. Whilst there may be questions around the value of providing your team with the capability to build

absolutely anything, the whole point of budgeting and planning is having the flexibility to quickly and easily play out a wide range of scenarios in order to make evidence-based decisions about the future of your business.

Again, in the context of rapidly growing and scaling businesses, much of the volatility comes from the need to front-load inventory orders to fulfil potential demand, or ramp up staffing numbers quickly, all of which introduce a number of high-cost and potentially risky variables. So, it's imperative to have a grasp on the impact of these investments before making the spend. Given that these situations can change by the day, and in some cases the hour, further outlines the need for finance to have control over the creation of their own reports.

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Conclusion

For the last two decades, almost every ERP and BI software vendor has focused their efforts and their marketing messages on a small number of key promises – the eradication of excel, and a 'single source of truth' being two of the most common.

Whilst at a headline level these make for good reading, the data into both what is possible in the real world, and what users require points to a slightly different story.

The single source of truth is undoubtedly the perfect situation for any business. In all honesty, the concept of BI is pretty weak without it - your reports are only as good as the data you have. That is to say that if half the data is missing, the report is only showing you half of the story.

On the other hand, just because all the data is available, it does not mean that users are capable of, or even should be using all of it, all the time. As discussed and demonstrated throughout the paper, every business function has a different requirement for reporting. Different teams have different purposes and as a result the requirement and ability to query data varies per role, and even per individual user.

With finance being arguably the most important function in the business (in terms of getting the

facts and figures correct), it makes sense that in most businesses it will also be the biggest user of BI software. It should also make sense that the finance team has a need to be in charge of its own reporting and be capable to quickly and easily build reports and forecasts which provide the information they require, to the cent, when they require it.

If you are asking your finance team to create and manage reports via a system which is designed to meet the needs of many, do they actually have the tool they need to do so?

About Staria

With 20+ years' experience in delivering growth-focused financial strategy and technology solutions for some of the world's most rapidly scaling businesses, Staria has always prided itself on being a pioneer and champion of the latest platforms and initiatives to improve how businesses manage their processes, cash, and most importantly, their people.

We offer a broad and comprehensive portfolio of services and solutions to help businesses improve their financial strategy, operations, reporting or technology. A part of this offering is our very own BI solution and extensive BI expertise.

A powerful, ready-to-use BI & planning tool

Staria's solution stands out among other BI solutions by innovatively combining business intelligence, forecasting and planning in a single solution that is scalable across different regions, making it the optimal solution for scaling organisations. The solution enables analysis and action quickly with pre-built templates and a simple no-code interface.

Developed by growth specialists who speak finance, our solution offers a full package of BI capabilities, planning, and optimized financial reporting, all-in-one, allowing you to get actionable insights in days, not weeks.

Do you want help on your BI journey? Contact us!

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