

# TRENDS SURVEY.

## **Business Intelligence Trends Survey**

The following document is the result of an online survey, conducted by KCR Research on behalf of Unisys, of 150 IT decision makers at large U.S. enterprise companies (minimum \$500 million in annual revenue) conducted July 27-30, 2004. The margin of error for the overall study is  $\pm 8.0\%$  at the 95% confidence level, and is higher among subgroups.

Research conducted by:

### **KRC RESEARCH**

700 Thirteenth Street, NW  
Washington, DC 20005  
8/16/04

- > Consulting.

---

- > Systems Integration.

---

- > Outsourcing.

---

- > Infrastructure.

---

- > Server Technology.

**UNISYS**

Imagine it • Done •

# CONTENTS.

<b>Executive Summary.</b>	<b>1</b>
<b>Survey Results.</b>	<b>3</b>
<b>Outsourcing.</b>	<b>9</b>

---

# EXECUTIVE SUMMARY.

Here are some of the highlights from the results:

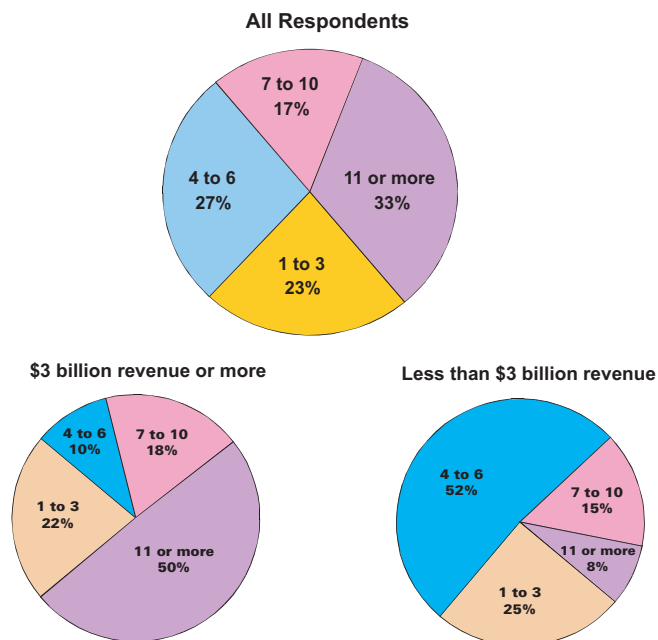
- ▶ Almost all organizations with Business Intelligence (BI) applications are looking to standardize the reporting of their applications on a single platform. In fact, 92% of the IT business leaders who responded agreed that they've currently standardized their reporting platforms, or will be looking to do so.
- ▶ Companies are deploying multiple BI applications across their organizations. One-third of all decision makers said their organizations are using 11 or more BI applications. One-half said they are using seven or more.
  - Large enterprises are utilizing many more BI applications than other organizations. Among decision makers from organizations with \$3 billion or more in annual revenue, half (49%) have deployed 11 or more BI applications, while only 8% of decision makers with lower revenues reported the same number of applications deployed.
  - BI applications are ready to be leveraged by business users, as 80% of IT leaders agreed that non-IT staff can easily and effectively use these applications.
- ▶ Ensuring risk management has become critical for many organizations, especially larger companies, to the extent that risk management needs match the importance of achieving business returns. Among decision makers from companies with \$3 billion or more in annual revenue, 65% said, "risk management" was a driver behind their company's BI strategy (and 57% among all decision makers). In addition, 72% said they were looking to maximize revenue with their strategy, 71% want cost reductions and 61% need it for regulatory compliance.

- ▶ Nearly half of all organizations (45%), and more than half of the largest companies earning \$3 billion or more (55%), said BI applications are now an important part of their IT strategy and are integrated across their organizations.
- ▶ Concerns about security risks are high on the minds of decision makers. Larger organizations (with \$3 billion or more in annual revenue) were most concerned about information security risks when deploying BI applications through the organization into non-IT functions. While 38% were concerned about these possible risks, nearly as many (37%) were worried about ROI and 17% were worried about overall project failure.
- ▶ BI applications can play a number of important roles in organizations. Responses from IT decision makers indicated that no individual purpose dominates the market right now. In today's leading enterprises, about three in ten (29%) said the main function of BI in their organization is to manage corporate performance, an additional 27% said they use BI mainly to monitor business activity, one in five (22%) use BI for reporting or regulatory compliance and another one in five (21%) use it to analyze customers.

# SURVEY RESULTS.

- ▶ Of those who have a BI strategy, 92% agree with the statement: “My organization has standardized and/or considered standardizing its enterprise business intelligence suites for reporting on a single platform.” In fact, half (46%) said they completely agree.
  - Interestingly, there is a gap between owners and C-level executives and IT managers. The owners and executives are significantly more likely to agree with the statement than IT managers (98% vs. 89%).
- ▶ One-third of IT decision makers have deployed 11 or more BI applications within their organization. Decision makers from companies with revenues over \$3 billion are more likely to have 11 or more BI applications deployed than those with lower revenues (under \$3 billion), 49% vs. 8%.
  - There is a gap between owners and C-class executives and IT managers. Owners and executives are significantly more likely to think their company has deployed 11 or more BI applications than IT managers (57% vs. 21%)<sup>1</sup>.
  - Additionally, companies that outsource at least some business or IT applications are more likely to have deployed 11 or more BI applications than companies that do not outsource (40% vs. 18%).
  - About one quarter (23%) of IT decision makers said their company has one to three BI applications deployed.
  - Twenty-seven percent have deployed four to six BI applications. A majority of companies with revenue under \$3 billion say they have deployed four to six BI applications (52%).
  - One in five (17%) said they have deployed seven to 10 BI applications within their organization.

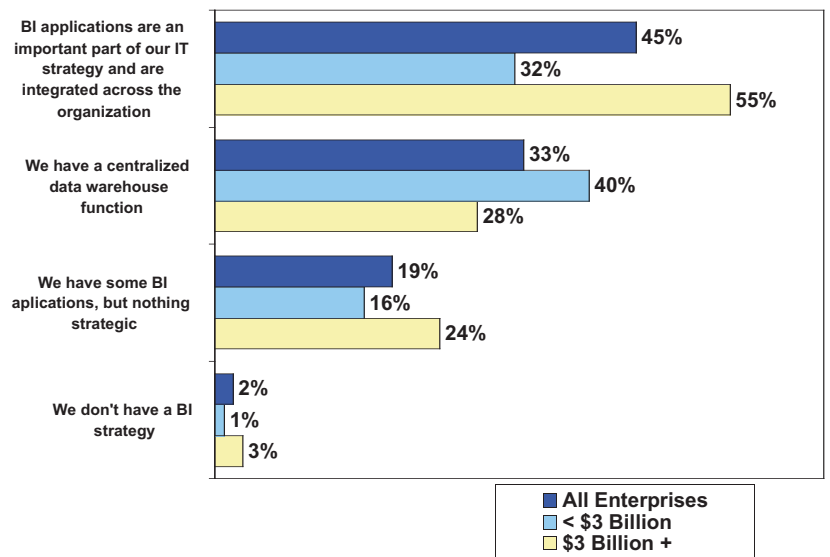
## How many Business Intelligence applications are deployed within your organization?



<sup>1</sup> Please note small sample size (N=47) for owners/C-class executives.

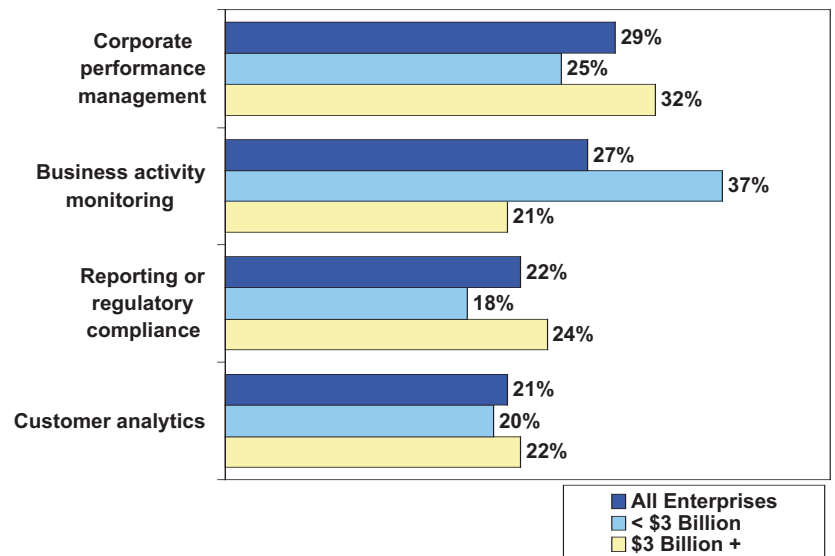
- ▶ Almost half of IT decision makers at large enterprises (45%) said business intelligence (BI) applications are an important part of their IT strategy and are integrated across their organization.
  - Companies with revenues topping \$3 billion were more likely than those under \$3 billion to say BI applications are integrated across the organization (55% vs. 32%). And, companies that outsource at least some business or IT processes were more likely to say BI applications are integrated across the organization (54% vs. 29%).
  - An additional third (33%) of IT decision makers said the main use of their BI application is for a centralized data warehouse function such as CRM, CPM or SCM.
  - One in five (19%) said their company has BI applications, but they are not strategic. And two percent said they do not have a BI strategy at all.

**Which of the following best describes your company's Business Intelligence strategy?**



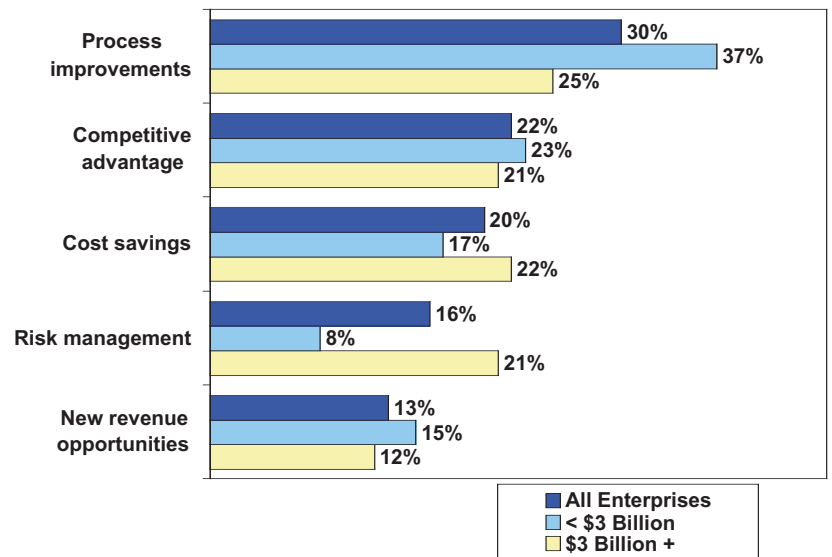
- ▶ The main functions of BI vary, with no singular function more clearly important than another. Of those who have a BI strategy or are using BI applications, respondents are fairly evenly divided between major functions of them.
  - About three in ten (29%) said the main function of BI in their organization is to manage corporate performance.
  - An additional 27% said they use BI mainly to monitor business activity.
  - One in five (22%) use BI for reporting or regulatory compliance.
  - One in five (21%) use it to analyze customers.

**What is the main function of BI within your organization?**



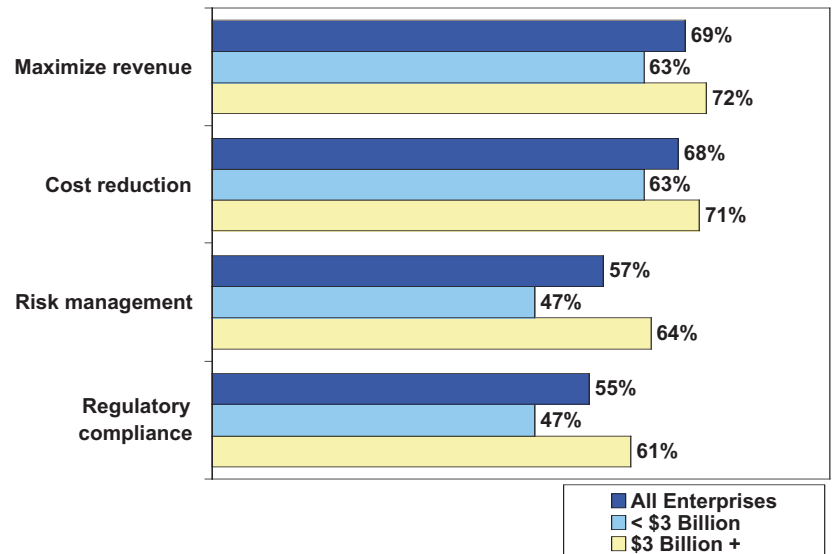
- ▶ Three in ten IT decision makers said their top goal in BI implementation is to improve processes.
  - Twenty-two percent said they use it for a competitive advantage and one in five (20%) said they use it to save money.
  - The remainder use BI for risk management (16%) and for new revenue opportunities (13%).
  - Companies with revenues over \$3 billion are more likely to implement BI with the goal of risk management (21% vs. 8% among business with revenues under \$3 billion).

**Which of the following is your top goal in implementing BI within your organization?**



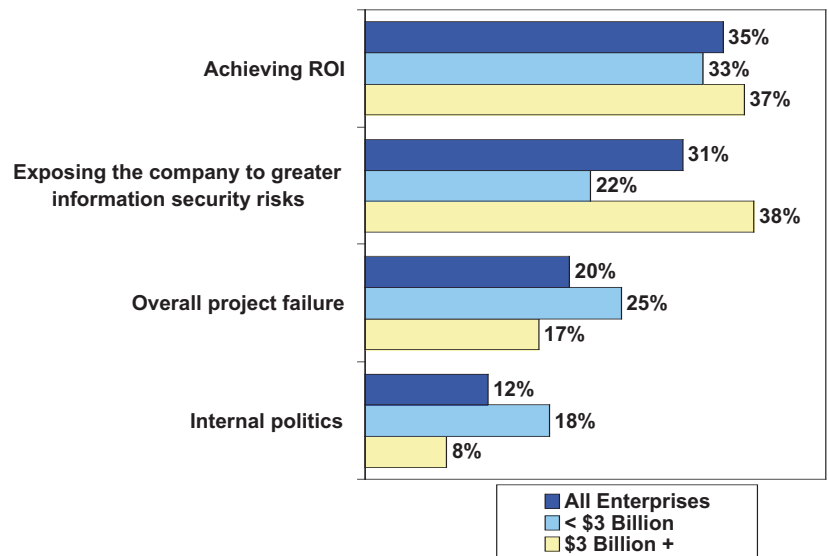
- ▶ IT decision makers who have a BI strategy were slightly more likely to say it is driven by financial interests than for administrative reasons such as risk management or regulatory compliance.
  - Sixty nine percent said maximizing revenue drives their BI strategy and 68% said the strategy is driven by cost reduction.
    - Cost reduction is the greatest driver for companies that outsource some business or IT processes (75%).
  - Fifty-seven percent said risk management drives their BI strategy.
    - Companies with higher revenues (over \$3 billion) are more driven by risk management than companies with revenues under \$3 billion (64% vs. 47%). Additionally, risk management is a greater driver for companies that outsource than those that do not (64% vs. 44%).
  - Fifty-five percent said their BI strategy is driven by regulatory compliance.

**Which of the following are driving your organization’s Business Intelligence strategy?**



- ▶ IT decision makers with a BI strategy said their biggest concern when delivering BI tools to non-IT employees is achieving return on their investment (35%). This is most important to companies that outsource at least some processes (41%).
  - A close second on the list of concerns is exposing the company to greater information security risks (31%). Companies with revenues over \$3 billion are most concerned about security risks (38%).
  - One in five worry about overall project failure and one in ten (12%) worry about internal politics.

**Which of the following is your biggest concern in delivering BI tools to non-IT employees?**



- ▶ Of all IT decision makers, (including those without a BI strategy), 80% said they agree (35% completely agree) “non-IT staff can easily and effectively use Business Intelligence applications.”
  - Again, executives and IT managers have different feelings. Eighty-nine percent of owners and C-level executives agree with this statement, while significantly fewer (76%) IT managers do.

# OUTSOURCING.

- ▶ Two-thirds of IT decision makers (66%) said they outsource some business or IT processes.
  - Not surprisingly, smaller companies (revenues under \$3 billion) are less likely to outsource (47% do not).
  - More than half outsource with other companies in the U.S. (54%) and four in ten outsource outside of the country.
  - More than a quarter of IT decision makers said they outsource both domestically and offshore (28%).
- ▶ One-third of IT decision makers do not outsource business or IT processes at all.
  - Of these, four in ten (39%) said they would not consider outsourcing in the future (this would translate to 13% of all IT decision makers).
  - Another four in ten (41%) said they would consider outsourcing domestically. Sixteen percent would consider a mix of domestic and offshore outsourcing.
  - Only 4% would consider outsourcing exclusively offshore.
- ▶ Of those IT decision makers with a BI strategy who are outsourcing some processes, most (68%) said they are outsourcing BI infrastructure.
  - Interestingly, 89% of C-level executives and owners<sup>2</sup> believe their company is outsourcing BI infrastructure while only 56% of IT managers say the same. Executives overwhelmingly (66%) think they are outsourcing both domestically and offshore.
  - More than half (57%) outsource BI infrastructure domestically and almost half (48%) outsource BI infrastructure offshore. More than a third (37%) said they outsource BI infrastructure both domestically and offshore.
  - Only 4% would consider outsourcing exclusively offshore.
- ▶ One third of the IT decision makers with a BI strategy who are outsourcing some processes said they do not outsource BI infrastructure.
  - Of these, more than half (55%) said they would not consider outsourcing BI infrastructure.
  - Three in ten (29%) would consider outsourcing domestically and another 16% would consider outsourcing both domestically and offshore.
  - No one would consider outsourcing exclusively offshore.

<sup>2</sup> Please note small sample size (N=35) for owners/C-class executives.

- ▶ The term “real-time intelligence” is common among IT decision makers, as about eight in ten said they have heard of it (79%).
  - However, IT managers are more likely than owners and C-level executives<sup>3</sup> to say they have not heard the term (26% vs. 11%).
  - Three in ten said they have heard about BI applications providing real-time intelligence and that their organization is currently using it effectively. Owners and executives (47%), those in high-revenue companies (39%) and those who outsource (35%) are among the most likely to say their company is using real-time intelligence effectively.
  - Twenty three-percent said that real-time intelligence is a good idea, but has not yet reached maturity.
    - Companies with revenues under \$3 billion were more likely to say this than those with revenues over \$3 billion (34% vs. 16%).
  - One in five (18%) said they have heard of this real-time intelligence but that it is too expensive to implement.
  - Seven percent see real-time intelligence as just a marketing term.
  - An additional one-fifth (21%) has not heard about BI applications providing real-time intelligence.

<sup>3</sup> Please note small sample size (N=47) for owners/C-class executives.

# NOTES.

Specifications are subject to change without notice.

© 2004 Unisys Corporation  
All rights reserved.

Unisys is a registered trademark of Unisys Corporation.  
All other brands and products registered herein are  
acknowledged to be trademarks or registered trademarks of  
their respective holders.



4126 4649-000