

BI Experts' Perspective

BI Center of Excellence

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Susan Nix is the new BI director at Super Toys, a national manufacturer and distributor of children's toys. Her predecessor implemented a data warehouse, put in place a limited set of performance dashboards, and assisted in the development of a few applications in the business units. In general, senior management is pleased with the BI progress that has been made, and has charged Susan with taking BI to the "next level." They haven't been specific about what that means, but there have been comments about becoming a "fact-based decision-making organization."

Although her charge is vague, Susan knows that there is plenty of work to do. Several subject areas still need to be added to the warehouse; she knows that one of the reasons they aren't there yet is because their source systems have data quality problems. Susan's staff is small, and most of the application development work is performed by analysts in the business units. These analysts have a good understanding of the applications that are needed, but there are issues with a lack of standardization on the tools and processes used, the ability to leverage work done in one unit throughout the organization, and optimizing the use of personnel. As you might imagine, there is limited BI governance in place.

Because support from senior management is strong, Susan has considered creating a BI center of excellence (COE). She feels that many of the issues she needs to address could be handled most effectively by such a center. In fact, the company already has other centers of excellence in place. Susan has several questions:

- 1. Is Super Toys a good candidate for a BI center of excellence? If not, what would be some other, better ways to handle the issues she is facing?**
- 2. If the company is a good candidate for a BI COE, how should Susan approach senior management about creating one? What should be the business case?**
- 3. What are some possible organizational structures for a center, and which do you think would be best for Super Toys?**
- 4. What processes should she follow in creating the COE? Who should be involved? What are the potential "gotchas" to avoid?**



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The challenges Super Toys faces will require a long-term strategy to build on the progress made by Susan's predecessor. Establishing an enterprise BI and analytics center of excellence should be part of the strategy, but not the only component. It is clear that the organization will need to address data quality, different areas of governance, internal information processes, and maybe master data. A center of excellence at Super Toys can be very effective in leading many of these areas—combined with other initiatives. Susan's first challenge is to identify what those areas are. Furthermore, the best approach to extend the progress made so far is one that can be adopted by the existing culture of Super Toys.

The good news is that the executive team is pleased with the progress, wants to see more, and indicates that it will support the next level in the evolution toward becoming a fact-based decision-making organization. The challenge is to define that target and determine where to start. Susan needs to develop an understanding of the organizational culture and its key business drivers and objectives. She can then develop a strategy, the business case, and a road map with sufficient details for implementation.

As Susan starts to gather information and work on her plan, she should look into the following key areas. The list is not comprehensive; it should be used as a starting point.

- Evaluate the current decision-making process across the organization to understand the availability of information required to make decisions as well as the accuracy, speed, and quality of these decisions.
- Understand what senior management expectations are; define what “the next level” is. Susan should have this discussion with senior management and offer options and best practices.

The best approach to extend the progress made so far is one that can be adopted by the existing culture of Super Toys.

- Identify the required technical, business, and organizational tasks to evolve the use of BI and analytics at Super Toys.
- Differentiate between technical, business, and organizational tasks. Susan must determine what support she will need from other groups.
- Identify all stakeholders—for example, from the business,

IT, and the analyst community (in the business units). Identify how BI applications are being developed, deployed, and shared by the business units.

- Make sure all internal stakeholders have the same definition of a center of excellence. Different perspectives exist on what COEs are and what they are supposed to do.
- Identify the key business priorities that should drive the enhancement of the existing enterprise data warehouse and current BI and analytical capabilities.
- Develop an understanding of the current technical, business domain, and analytical resources and their location(s). Susan should understand the extent to which functions are centralized versus decentralized and what the culture currently supports.
- Determine the focus, structure, and mandate of the other existing centers of excellence at Super Toys.
- Finally, mobilize business and IT stakeholders to work collaboratively to develop a plan to evolve the environment to the next level.

Gathering this information and identifying all stakeholders will provide Susan with the information

she needs to plan her approach to enhance the current enterprise data warehouse environment, expand the use and value of the existing performance dashboards, and develop a road map to implement the initiatives needed to move Super Toys toward becoming a fact-based decision-making organization. Getting business and other stakeholders to participate in this process will provide Susan with the support she needs for her plan. This process will undoubtedly uncover additional weaknesses in data definitions, business rules, master data, and governance that will also have to be addressed.

Susan should now have the information she needs to develop a sensible plan with clear recommendations to address challenges and requirements. She should prioritize the challenges, quantify the benefits and costs of each recommendation, and put together a business plan. More importantly, she should identify:

- The role an enterprise center of excellence should have at Super Toys as a key component of the overall strategy to enable fact-based decision-making.
- What resources will be needed for the COE.
- How input from senior management and the business units is gathered and addressed.
- How the COE will interact with business and IT groups and other existing centers of excellence, and where the resources should be located. She should address issues regarding centralizing and decentralizing BI, analytical, and performance management support functions.
- What missing BI governance should be developed and how it should be enforced.
- The center of excellence scope and mandate.

Finally, Susan should be aware of the following common mistakes and avoid them:

- Adopting an approach used by other organizations. Centers of excellence are not all the same. Effective centers of excellence are developed to address the specific requirements of each organization and should address both strategic and tactical requirements.
- Placing the COE too low in the organization. The location of the COE and level of empowerment are key factors to achieve the desired objectives.
- Not managing expectations. Susan should set the expectations of an ongoing progress that will mature and improve over time. Changes and enhancements to the approach should be expected.
- Underestimating the effort needed to address change management.