

Software-as-a-Service Helps Deliver Satisfied Analytics Users

May 2013

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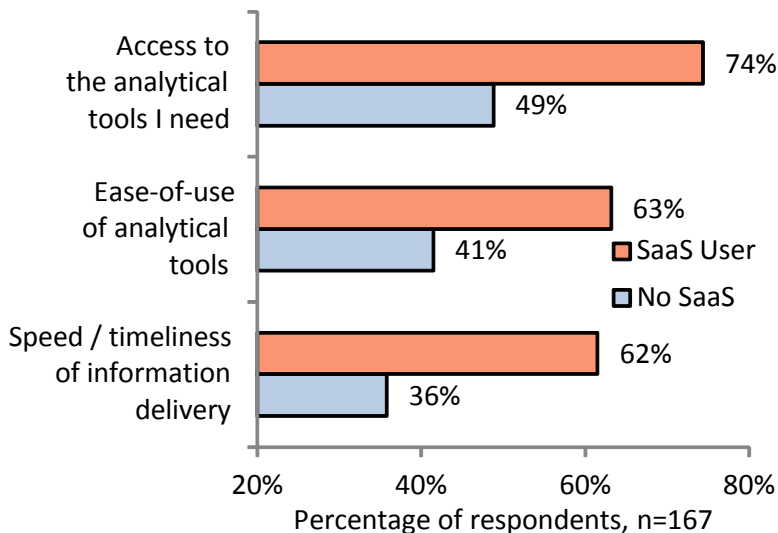
Software-as-a-Service Helps Deliver Satisfied Analytics Users

Prior research by the Aberdeen group (*Pervasive Cloud BI: Analyst, Advocate, Problem-Solver - All in One*) has shown that Software-as-a-Service (SaaS) can provide a very effective business intelligence (BI) solution. Organizations that embrace SaaS BI tend to use the technology more pervasively throughout the organization, partly because they are able to make better use of scarce IT skills. In addition, the overall BI solution provided within the company is richer and more complete when compared to organizations that do not use the SaaS approach (see sidebar on page 3). This Analyst Insight offers a different perspective — are the users of a SaaS approach satisfied with the quality of the analytics at their fingertips? Aberdeen's research finds that analytics users that have access to SaaS BI are more satisfied with their BI solutions overall, compared to users that do not have a Software-as-a-Service solution as part of their analytics portfolio.

SaaS Delivers for BI Users

Making analytics more widely available throughout a business is very desirable — and SaaS can help to achieve that. However, another aspect needs to be considered. How do the analytics users feel about the quality of the solution they are offered? Does it meet their business needs and provide the information they need, when they need it?

Figure 1: Satisfaction Rate with BI Tools



Source: Aberdeen Group, January 2013

Analyst Insight

Aberdeen's Insights provide the analyst's perspective on the research as drawn from an aggregated view of research surveys, interviews, and data analysis.

Survey Definitions

This Analyst Insight is based on data collected from 167 organizations using BI during January 2013. Aberdeen uses the following definitions to refer to different groups of survey respondents in this report:

- ✓ **Only conventional BI** – Survey respondents that indicated they are not using SaaS, but instead use only conventional deployment methods (e.g., On-premise software licenses) for their BI solutions. This included 127 organizations also referred to as “No SaaS” in the charts.
- ✓ Organizations that use either solely SaaS BI (15 survey respondents), or both SaaS BI and conventional BI (25 survey respondents). The 40 organizations using SaaS in some form are referred to as “SaaS User” in the charts.

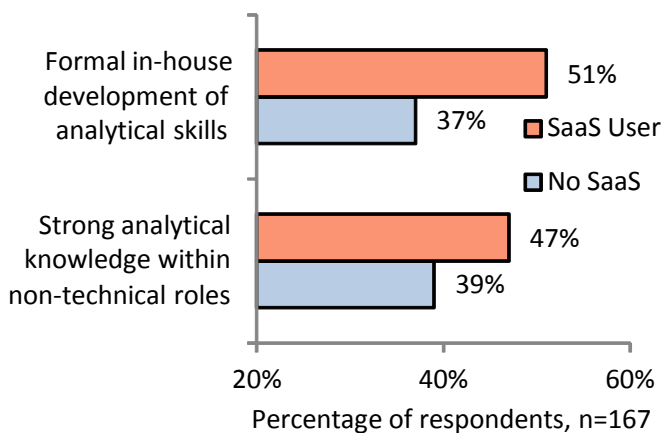
As Figure 1 shows, business users that have access to cloud-based BI rate their solutions highly in several dimensions. For example, when asked to rate ease-of-use of their analytics solutions, 63% of organizations using a SaaS solution were either satisfied or very satisfied with the ease-of-use. In comparison, only 41% of companies that did not use a cloud-based BI solution in some way reported similar levels of satisfaction. Similarly, managers in organizations that have SaaS BI as part of their portfolio are more satisfied with their access to appropriate tools and the timeliness of information than their peers that rely solely on other forms of business intelligence deployment.

Aberdeen Group’s earlier research found that companies with SaaS BI can enjoy distinct advantages in the functionality offered by those tools (see sidebar on page 3). However, organizations that adopt a SaaS approach are also more likely than others to have other processes, roles, and cultural traits in place. These characteristics — described below — combined with the benefits of a cloud approach, help to ensure the high levels of end-user satisfaction shown in Figure 1.

Development of Analytic Skills

Not only are firms that use SaaS analytics more likely to have business managers with highly developed analytic skills, but they work harder to grow and nurture those skills (Figure 2). Organizations that use SaaS BI are 38% more likely than those that do not to have a formal education program to help managers develop their skills.

Figure 2: SaaS BI Users More Likely to Develop Analytic Skills



Source: Aberdeen Group, January 2013

Such an education program can take many forms. However, care should be taken to provide a range of topics that can engage managers with any level of expertise with BI. For example, business managers that have never used analytics before will need a simple introductory course: What is analytics and why do you need it? As a step up, as managers begin their use of BI

How is SaaS different?

With SaaS BI, software itself is not licensed, owned, or installed by the organization. Instead, the software resides in a remote third-party data center and the functionality provided by the software are accessed over the internet and rented. This service is typically paid for as a subscription.

More Timely information

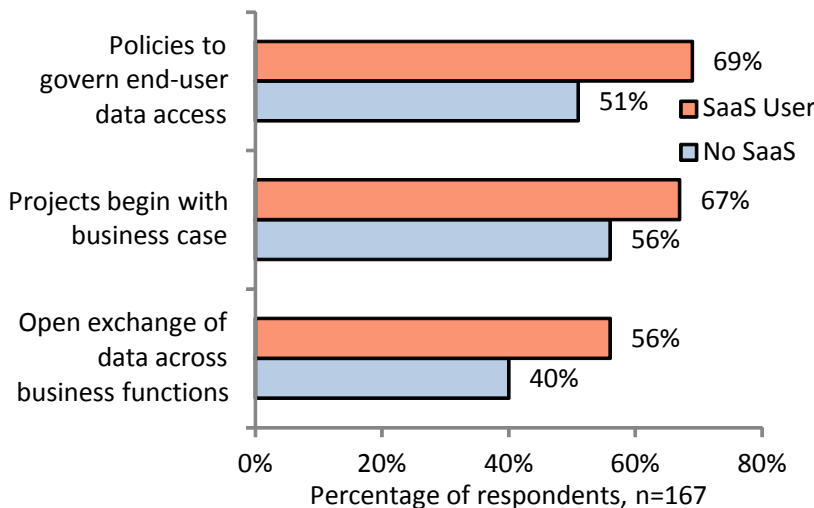
Aberdeen surveys often measure the “decision window” – how soon after raw data is collected does it need to be turned into management information in order to be used for decision making. Organizations that use Software-as-a-Service BI are quite demanding in this respect, with 38% of organizations requiring management information within one hour of raw data being captured. Managers at these organizations are able to **find the information they need in time to support their decisions 84% of the time**. In contrast, managers in companies that do not use SaaS for analytics **are able to find timely information only 70% of the time**, on average – despite only 30% of companies requiring information within one hour of it being captured.

within the company, training that introduces the available tools will be required. Ultimately, training that allows business users to practice hands-on with those particular tools, using real data from their job function to simulate decisions they will need to make in their job, can round out a comprehensive analytics education. Providing a hierarchy of training in this way can help managers progress from simply monitoring information to taking a more proactive role in discovering fresh insights in data.

Formalization and Organizational Commitment

Companies that benefit from the use of Software-as-a-Service business intelligence generally exhibit a great degree of commitment to analytics across the entire organization, compared to other businesses (Figure 3).

Figure 3: Cultural Factors Impact Use and Acceptance



Source: Aberdeen Group, January 2013

For example, two-thirds (67%) of organizations that use SaaS analytics begin each BI project with a business case proposed by business managers. Only 56% of companies that do not use SaaS take this approach. This can help to ensure that the projects undertaken meet and address real business needs, not just imagined ones. When business managers are required to create a business case, potential business benefits need to be understood and documented. The exact analytics requirements for the particular job role or business function must also be articulated and captured. This may seem like a lot of additional work for business managers to take on. On the other hand, it may ensure that only managers who have a keen desire to use analytics to improve business operations are willing to show such commitment. In addition, it can give line-of-business managers a much greater sense of ownership and involvement right at the outset of the project. Corporate IT is often — although not always — heavily involved in analytics projects. With SaaS implementations, the role of corporate IT is often reduced. But starting with a business case proposed by business

Rich Interaction with SaaS BI

Aberdeen's September 2012 research ([Pervasive Cloud BI: Analyst, Advocate, Problem-Solver - All in One](#)) highlighted the rich interaction that organizations with cloud BI solutions were more likely to enjoy:

- ✓ **Drill-down to detail.** Drill-down allows a BI user to quickly navigate from summarized data to detailed information. **81%** of cloud BI users had this capability, compared to **58%** of non-cloud BI users.
- ✓ **Total manipulation of data.** Freely manipulating and interacting with data enables managers to look at information from different perspectives to gain deeper understanding or fresh insight. **68%** of cloud BI users had this capability, compared to **32%** of non-cloud BI users.
- ✓ **Users able to tailor solution.** When IT skills are in short supply, it makes perfect sense for end-users to be able to tailor their own BI where practical. For example, it makes sense to allow business managers to customize the metrics shown in a dashboard to better suit their own specific needs. **61%** of cloud BI users had this capability, compared to **41%** of non-cloud BI users.

managers can help ensure that BI meets business needs and is highly utilized once deployed.

In addition, organizations that use a SaaS approach for analytics are 40% more likely than others to exchange data openly and easily across business units. Such a free exchange of information can be very beneficial for the overall performance of the corporation. Where this type of data exchange does not occur, the impact on business performance can be widespread. For example, sales management might provide a special bonus for account managers to help drive sales of a new product line. However, that incentive may be detrimental unless the sales teams have timely updates on product inventory, expected ship times, and manufacturing lead times. Armed with that information, sales staff can set customer expectations realistically. Without it, chaos can have free reign.

While freely sharing information can have real benefits, it can be very counter-productive when taken to the extreme. Open access to data should be counter-balanced by policies that govern access to information. Organizations using SaaS BI are 35% more likely to have such policies in place, compared to those organizations that do not use cloud analytics. Placing reasonable limits on who has access to what specific information is an essential first step in securing corporate data assets. For example, there is no justification for a departmental manager to have access to the HR records for every employee in the company. Likewise, social security numbers and bank account details should be strictly controlled. Operational data on the other hand — information that can truly be used to optimize business performance — can be shared more fully.

Key Takeaways

Prior Aberdeen research has highlighted the potential cost benefits of adopting SaaS BI ([SaaS BI: The Compelling Economics of Cloud-based Analytics](#)), as well as the agility and flexibility that this class of solution can bring ([SaaS Business Intelligence: Driving Agility through Self-Service](#)). Of equal importance though is the actual usage and acceptance of the analytic solutions presented to business users.

- **Organizations that use SaaS-based solutions as part of their analytics portfolio report a strong vote of confidence from their business user community.** Compared to companies that do not use SaaS-based solutions, business managers are 51% more likely to have access to the tools they need, 54% more likely to find their BI tools easy to use, and 72% more likely to receive timely management information.
- **SaaS-based solutions can be particularly adept at enabling timely information sharing across business functions.** Where access to cloud BI solutions is provided by connectivity over the public internet, connecting new groups of users to an existing analytic application or data warehouse is very straight-forward. Companies using a SaaS-based business intelligence solution are 40%

Monitoring Adoption and ROI

In keeping with the greater organizational alignment and acceptance of analytics, companies that use cloud-based solutions are more likely than others to assess usage and their return on investment:

- √ **Consistent tracking of analytics utilization:**
Drill-down to detail: 54% of SaaS BI users undertake this, compared to 38% of the firms that do not use SaaS BI.
- √ **ROI from analytics projects is measured:**
Total manipulation of data. 54% of SaaS BI users undertake this, compared to 38% of the firms that do not use SaaS BI.

more likely to share information openly across organization boundaries. Overall, managers at organizations with SaaS BI are 20% more likely than their peers to receive information in time to influence their decision-making (84% vs. 70%).

- **The importance of organizational culture and commitment should not be overlooked.** While a sound technology foundation is important, cultural factors can make the difference between a roaring success and a lukewarm response from business managers. Organizations using Software-as-a-Service excel in this respect. For example, just over half (51%) of firms using SaaS have a formal in-house education program for analytics. In a similar way, two-thirds (67%) of these same companies initiate their analytics projects with a business case proposed by business managers. Organizations should carefully consider how well their senior management, organization structure, policies, and corporate culture may impact their analytics projects and take steps to rethink their approach if necessary.

For more information on this or other research topics, please visit www.aberdeen.com

Related Research	
<i><u>A Simple Cost Justification for Self-Service Analytics</u></i> ; February 2013	<i><u>Agile or Fragile? Your Analytics, Your Choice</u></i> ; July 2012
<i><u>Packaged Analytics: The Gift that Keeps on Giving</u></i> ; January 2013	<i><u>Managing the TCO of BI: The Path to ROI is Paved with Adoption</u></i> ; May 2012
<i><u>Managed Reporting: Are Your Managers Worth \$134?</u></i> ; December 2012	<i><u>High Performance Organizations Empower Employees with Real-Time Mobile Analytics</u></i> ; April 2012
<i><u>The Grinning CFO: How to Get a Return on BI Projects in Less Than 4 Months</u></i> ; October 2012	<i><u>Picture this: Self-Service BI through Data Discovery & Visualization</u></i> ; March 2012
<i><u>Real-Time Data Integration: Driving Near Real-Time Analytics</u></i> ; September 2012	<i><u>SaaS BI: The Compelling Economics of Cloud-based Analytics</u></i> ; February 2012
<i><u>Pervasive Cloud BI: Analyst, Advocate, Problem-Solver - All in One</u></i> ; September 2012	<i><u>SaaS Business Intelligence: Driving Agility through Self-Service</u></i> ; September 2011
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