Why Cloud BI?
The 10 Substantial Benefits of Software-as-a-Service Business Intelligence

Executive Summary

Smart businesses are pursuing every available opportunity to maximize performance and minimize costs. Business Intelligence tools—used to analyze data, identify trends, and support business decisions—continue to gain in popularity among companies of all sizes as they seek to optimize efficiency and effectiveness and gain a competitive edge. Relative to traditional BI solutions, Cloud BI solutions – also known as Software-as-a-Service or Ondemand solutions offer a timely and cost-effective resource for businesses of all sizes to maximize their business potential while minimizing costs.

Business Intelligence solutions in the Cloud represents the unification of two key trends –the evolution of cloud computing as a cost effective, quick and efficient platform and the use of Business Intelligence technology to gain insight and improve the quality and speed of business decisions. To make the most of Cloud BI, businesses should look for a complete solution that offers a breadth of features that are easy to use, quick to deploy and scalable as data and user requirements grow. To find the best solution, each business should consider their own unique needs with respect to multi-source data capability, data discovery, analytics and reporting, scalability, automation and flexibility. Once these needs are determined, the best match can be found among available Cloud BI vendors.

This white paper explores the 10 substantial benefits of Cloud including:

- *Faster Return on Investment (ROI)*
- *Lower Implementation Costs*
- *Lower Ongoing Costs*
- *Increased Collaboration, Maximum Insight*
- *Easier Budget Approval*
- *Scalability*
- *Agility*
- *Multi Tenancy*
- *Greater Visibility*
- *Low Risk*

Ultimately, no matter which vendor is chosen, any business is likely to benefit from the use of a Cloud BI solution. Through the Cloud model, BI is becoming much more accessible, less expensive, and less risky, while the benefits are made more compelling for all.

Cloud BI is the most simple, cost-effective way for an organization to get all the components needed for data access and integration, analytics, reporting and dashboards– all available in hosted environment with pay-as-you-go economics. Cloud delivery enables rapid deployment – most businesses can build an initial BI environment in days or weeks compared to months with traditional Business Intelligence solutions. Organizations now realize that high investments and Total Cost of Ownership of conventional on-premise BI makes these solutions impractical and unattractive. The allure of Software-as-a-Service or Cloud BI has never been stronger.

Cloud BI solutions hosted by service providers and accessed by users over the Internet, offer all of the capabilities of traditional BI solutions while substantially improving the economic bottom line. Cloud solutions provide powerful and flexible business insight, but are faster, easier, and less costly than custom "behind the firewall" solutions. The business benefits of Cloud BI are compelling and real. Relative to traditional business intelligence solutions, Cloud BI solutions offer the following business benefits:

Faster ROI

A faster "time to value" allows for a quicker return on investment Cloud BI solutions are quick to deploy and easy to change. Unlike traditional BI implementations, which can take 12 to 18 months or longer, Cloud BI solutions can typically be up and running in just a few weeks. This is because there is no additional hardware to install and no database to set up. With the solution up and running sooner, companies can start reaping a return on their investment more quickly, decreasing the time required to see value from the implementation.

Ongoing maintenance and customization is also faster and easier. Since all of the hardware and infrastructure is maintained by the vendor, all software upgrades and architecture changes are handled by the vendor and delivered to the customer automatically. Customization and changes to the reporting and analysis tools can be handled by end users with limited, if any, use of IT resources.

Cloud Business Intelligence

The ability to pay for analytics capabilities as a monthly or annual service, instead of purchasing, integrating, and maintaining software on your own. It is generally more cost effective and rapidly implemented than traditional solutions.

> "As intouch Group grows, Birst can easily scale. . . and its Cloud offering ensures that we pay for only what we need today.
>
> **Josh Kaplan**
> *CEO, intouch Group*

Lower Implementation Costs

Limited up-front costs and IT resource requirements Cloud BI solution providers manage all of the back-end systems for their service as well as host their applications, so customers are freed from hardware and setup costs associated with having a BI solution deployedthere is no hardware to buy, no software servers to purchase and set up. In addition, because software-as-a-service BI solutions can be set up in a fraction of the time of traditional solutions, the time and resources required to deploy a finished solution are dramatically reduced. Therefore, up-front costs for implementation are significantly less than traditional solutions. Low cost also makes these solutions less risky to implement and easier to budget, generating a higher ROI.

Lower Ongoing Costs

Benefit from upgrades and maintenance without the associated costs and drain on IT resources

Cloud BI vendors typically charge a subscription fee which provides an all-in cost for the right to use the application service, maintenance, and support. This subscription is usually based on the number of users who will interact with the system, the volume of data analyzed and a support plan. Subscription pricing ensures that customers pay only for what they need, as they need it – so the customer retains financial control of the project and maintains the flexibility to scale up as their needs expand. Because the customer's solution is running on a shared infrastructure, this increased financial control and flexibility comes with lower ongoing costs. For most organizations, the cost to deploy an Online BI solution based on subscription licensing will be far lower than the cost of buying a conventional on-premises solution as there are no servers to maintain, no patches to install, no ongoing software maintenance to pay and minimal IT resources required.1 Additionally, the service provider owns and hosts the software, and so users can benefit from ongoing upgrades and maintenance without the associated costs, time constraints and drain on IT resources.

Increased Collaboration, Maximum Insight

Gets Business Intelligence into the hands of the user who can make the biggest impact – the business analyst Conventional solutions tend to be IT resource intensive, limiting their availability to dedicated experts who are spread thinly across the many business units that they serve. Cloud solutions are easier and less costly to deploy and require little special expertise to operate. As a result, they are more accessible to non-technical users throughout the organization. Business Analysts that often struggle with complex reporting tools when making sales forecasts, planning resource utilization, or servicing customer accounts can use visualization and data discovery to get business insight quickly and easily. Across the organization, these functional specialists can uncover opportunities for performance improvements and functional efficiencies that are hidden in the data.

Easier Budget Approval

Operation Expense vs. Capital Expense (OpEx vs. CapEx)

Cloud solutions are paid for as subscriptions; their license cost is a monthly, predictable expense and not a large, up-front payment for licenses as with conventional software. Therefore, Cloud solutions can be typically purchased as an ongoing operational expense (OpEx) rather than a capital expense (CapEx). This makes these solutions particularly attractive where CapEx budgets are under immense scrutiny.

> As a Cloud solution that can be up and running in just days, it's almost 'no risk'...
>
> *Dave Thornton*
> *President, precisionXL, a Birst Partner*

Scalability

Easily scale from departmental to enterprise level solutions

Cloud solutions are designed to support a large number of customers simultaneously, with capacity to spare. This means that any individual customer can quickly expand their Cloud solution by simply requesting a larger account size or more users. Unlike on-premise solutions, customers can expand their Cloud solution without having to buy and deploy more hardware or install different, larger software servers. Since the vendor is the one responsible for capacity, organizations can begin with a small number of users and a small set of data, easily scaling to an enterprise level platform, or anything in between.

Agilty

Quickly adapts to changing business needs

Unlike traditional solutions, Cloud BI solutions can be changed easily, so non-technical users can quickly add new reports and dashboards, new data sources, and new analyses. With traditional BI solutions, such changes could take weeks or months, and involve significant IT resources.

Multi-Tenancy

Do more with less

The multi-tenancy nature of Cloud Computing means that cost and resources can be spread across a large number of users. Cloud BI solution providers utilize a variety of techniques and tools to provide the best possible performance for small to very large scale solutions. Several solutions enable scaling by adding new computing. Performance is optimized through techniques such as caching, pre-aggregation and optimized SQL generation.

Greater Visibility

Easily share data and reports, even outside the firewall

Cloud applications are deployed over the internet, so that users can easily share data with others, both inside and outside the customer organizations. This makes it easy for users to share insight with remote offices, suppliers, field sales organizations, partners, and customers.In addition, since these applications can leverage data from anywhere in the world, users can integrate data from multiple sources in different parts of the world, from other internal business units, and also from suppliers and partners in any company's extended value chain. This is especially important for any firm with multiple sites in different physical locations.

Case Study: Citrix Systems

About: Citrix Systems is a leading provider of virtualization, networking and cloud computing solutions for more than 230,000 organizations worldwide. Citrix solutions radically simplify computing for millions of users, delivering desktops and applications as an on-demand service to any user, in any location, on any device. Citrix customers include the world's largest Internet companies, 99 percent of Fortune Global 500 enterprises, and hundreds of thousands of small businesses and consumers worldwide.

Business Challenge: *Improve customer satisfaction, product reliability and gross margins with better visibility across the supply chain.* "We were trying to solve the problem with eight million spreadsheets that were from multiple organizations and outdated by the time they came together, said Fred Tiso, Group Director of Hardware Operations. "There was no single version of the truth. We couldn't trust the data and it just took forever."

Vendor selected: *Birst*
"Birst was a game-changer for us. We went live in less than 90 days with very limited involvement from IT and plan to have 2,000 users up and running shortly."

Key Benefits of the new system:
- *Real-time visibility into sales forecasts, bookings, shipments, inventory, & more*
- *Accurate view of supply chain to Citrix employees*
- *External suppliers have access, so that they can plan to Citrix' forecasts*

Results
- *Achieved 99%+ on-time delivery rate*
- *Five-fold increase in inventory turns*
- *Gross margin improvement*

Low Risk – High Reward

As a monthly subscription service, Cloud solutions offer a low-risk opportunity to acquire business intelligence without high costs, onerous commitments, or high resource requirements. The rewards of greater business insight, improved efficiency, higher productivity and lower costs make this a winning strategy for businesses of all sizes.

Choosing The Right BI Vendor For Your Business

For Cloud business intelligence to be successful in your organization, it must not only deliver more value than the traditional behind-the-firewall approach, it should also offer a breadth of features that are quick to deploy, scalable, and easy to use. To achieve these key business benefits, organizations should consider whether or not they need the following key functional components of business intelligence:

- *Multi-source data capability: Ability to consolidate data from multiple sources, such as sales, marketing, finance, operations, and HR*
- *End-to-end Business Intelligence capabilities: Ability to provide the full range of analysis and reporting capabilities:*
  - *Data discovery*
  - *Dashboards (drill through, drill into reports)*
  - *Operational/ Banded reporting*
  - *Multi-dimensional analytics (OLAP/slice-dice/pivot)*
  - *Mobile BI*
  - *Alerts and notifications*
- *Scalability: Ability to grow with an organization in terms of scale and complexity (number of data sources, complexity of calculations, diversity of end-user scenarios)*
- *Automation: Automation to ease and expedite what have been historically the more painful and laborious aspects of BI configuration – data preparation, integration, and metadata management*
- *Flexibility: Flexibility to expand, enhance & customize applications as needed*

"

With Birst, we can see a problem before or as it happens...We've achieved a more than 99% ontime delivery rate and a fivefold increase in inventory turns that has lowered costs, increased profitability, and improved our gross margins."

Fred Tiso
Group Director of Hardware Operations, Citrix

If these criteria apply to your business situation, then Cloud BI is likely to be a good fit. How to find the right provider? Here are some decision criteria from industry expert David Raab:

Technology	Professional Services
• Provisioning	• Strategy
• Functionality	• Analytics
• Scalability	• Project Management
• Complexity	• Data Integration
• API/Integration	
• Maturity	
Terms of Service	**Pricing**
• Data Access	• Upfront and Ongoing Cost
• Service Levels	• Data Hosting Fees
• Intellectual Property	• Contract Period

No matter which vendor you ultimately choose for your business, Cloud BI is likely to have a fast and substantial impact on your business' bottom line. BI is becoming much more accessible, more flexible, less expensive and less risky for all. Cloud technologies are making it worthwhile for any size organization, from small-to-medium businesses to large enterprises to implement a BI solution that will lead to new insights and greater effectiveness throughout the business.

Birst solutions can be leveraged in rapid-deployment, low-cost Software-as-a-Service (SaaS) mode or deployed on-premise as an appliance. For more information on Birst's end-to-end solutions for Agile Business Analytics onany scale visit www.birst.com or sign up for a free trial. Join our conversation on Twitter @BirstBI.

1 IDC Technology Spotlight, April 2009 "Everyone's a Genius: SaaS-Delivered Business Intelligence Tools Put Decision Making in the Hands of Decision Makers"