

White Paper



Business Intelligence (BI) Governance

Going beyond project selection and prioritization to materialize the Enterprise Strategy

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Background

Governance became a critical concept in the post “IT bubble” days, as IT faced the challenge of dealing with diminishing budgets without demand on its services being reduced proportionally. There were many initiatives and projects in the pipeline but not all of them could be executed given the limitations on people, infrastructure and budget. As companies looked for a way to properly classify and prioritize the business requests, the concept of implementing a formal IT Governance process went from being a “nice to have” to a “must have” almost overnight. Committees were formed to oversee the process and make sure all business areas had adequate representation when making decisions as to which projects to fund, and how much money to allocate for infrastructure capital investments. While difficult to accept at first, as many organizations operated with no rules for decades, Governance happened to be very successful in aligning the IT organization to the strategic objectives of the company. The Governance process forced a discussion among stakeholders to validate that projects with the highest contribution were executed first.

The IT Governance process worked very well for individual projects or initiatives, but it did not focus on making sure particular programs, such as Business Intelligence (BI), were successful across the Enterprise. In order to address this gap leading-edge companies decided to take the Governance concept down a level and focus entirely on the programs, thus giving birth to the BI Governance concept. Some of these organizations defined BI Governance as the process they followed to prioritize BI requests along different criteria such as: Project ROI, organizational budget, expertise of the team, people availability, Infrastructure capacity and organizational politics.

This article focuses on defining BI governance, and detailing why a good BI Governance process must go beyond the basics of approving and prioritizing initiatives.

Defining BI Governance

BI Governance can be defined from three different, unique perspectives (Figure 1):

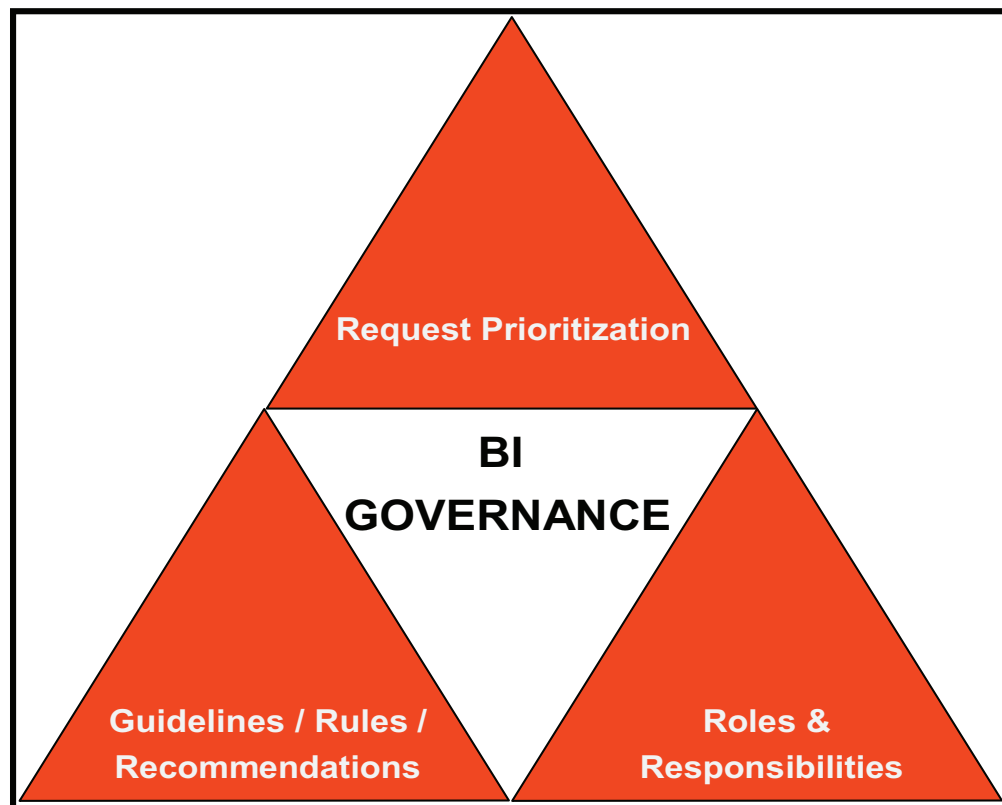


Figure 1. The three dimensions to BI Governance

1. **As a resource rationalization exercise:**
This is the traditional definition of BI Governance. A prioritization mechanism by which BI projects can be approved, rejected and sequenced based on specific criteria. Many companies today have some kind of process to prioritize BI requests; however most of them still rely on subjective factors to determine how a project should move forward.
2. **As a series of guidelines/rules /recommendations:**
This is relatively a new way of defining BI Governance. Traditionally, IT has been solely responsible for defining the Architecture, Standards and Best Practices to follow in Business Intelligence. However as business started realizing the impact that these decisions have on the BI Projects there has been a trend to make these topics a part of the BI Governance process.
3. **As the definition of roles and responsibilities for both IT and Business stakeholders:**
Business Intelligence projects are by nature highly complex. Establishing the proper interaction and outlining areas of responsibility between IT and Business becomes critical for a project to succeed.

Understanding the need for BI Governance

Despite the apparent benefits that implementing a properly defined BI Governance process can bring to the organization, there is still a significant number of companies in the market place who are yet to start similar efforts. When talking to people from these companies one of the frequent reasons given to justify the inaction is that implementing BI Governance is a costly and complex exercise that does not provide any value, as the management has already decided which projects to execute first.

While it is true that a good management team should have a general understanding of the priorities of the organization, establishing an adequate BI Governance process provides a framework by which the proper resources can be aligned to the business priorities.

Furthermore, a good, solid, BI Governance process will establish proper change management (CM) and training policies that facilitate the user adoption process and promote the overall use of BI minimizing the amount of fear and resistance to new technologies from the business users.

Proper BI Governance processes will drive the infrastructure and technology decisions. Since both business and IT are considered, the risk of choosing the wrong platform by only looking at one side of the criteria is greatly reduced. (Figure 2)

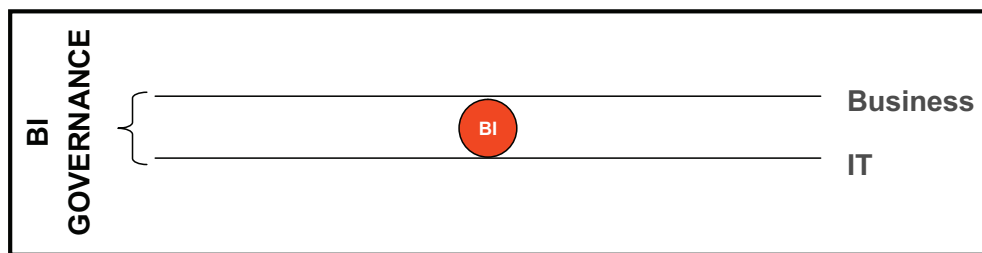


Figure 2. Business and IT collaborate to align the BI resources to the organization priorities

Establishing the Organizational structure of a BI Governance Committee

The first step in establishing an organizational structure for the BI Governance members is identifying the stakeholders within the organization. A stakeholder can be defined as someone who has “skin the game”. Stakeholders usually come from three areas:

1. **Business:** Every business area/department should nominate who their representative is going to be. This will enable equal representation from business areas across the organization, and thus provide the right forum to make decisions that impact the revenue and budget for a particular business unit. The business area representatives will be responsible for sponsoring particular projects for their units, explaining to the committee the benefits of the initiatives. They will outline a high level impact and CM plan to enable the committee understand the project being proposed from different perspectives. Part of their responsibilities will include identifying people in their functional areas to support the Data Modeling, Data Integration and BI-Front End efforts from a business perspective.
2. **IT:** IT provides the back office support for the committee. Its responsibility is to provide the roles of a Program Manager, Data Modeler Lead, Data Integration Lead, BI Front-End Lead, Enterprise BI Architect and Trainer Lead, along with the BI team's manager. The project manager will be the facilitator for the committee, making sure the meetings take place at the right place, right time and with the right people. The Data Modeler will be in charge of creating a data model that supports the business needs across projects. It will be the Data Integration Lead's responsibility to implement the appropriate data integration framework to populate the enterprise data model. The BI Front-End Lead will interact heavily with the business users to define the report and standards to follow. The Enterprise BI Architect will own the Enterprise BI solution and the bottom line for each project, along with each initiative's Project Manager. The Trainer Lead will be responsible for creating the material that will be used to coach the trainers, and create an infrastructure to train the user universe in a quick and effective manner. And the BI manager will be IT's escalation manager to the business.

3. **CFO Office:** As BI projects are considered strategic in nature, and as the implementation cost can easily escalate to the millions of dollars, it is recommended to have a direct line to the CFO. This link will facilitate the prioritization of projects based on alignment to the corporate strategy, at the same time provides an opportunity for the team to justify the infrastructure and development costs directly to the ultimate approver. Each group of stakeholders needs to play their role and commit to their responsibilities in order to establish a good BI Governance process. *Figure 3* outlines how the different groups interact through the life cycle of a BI initiative.

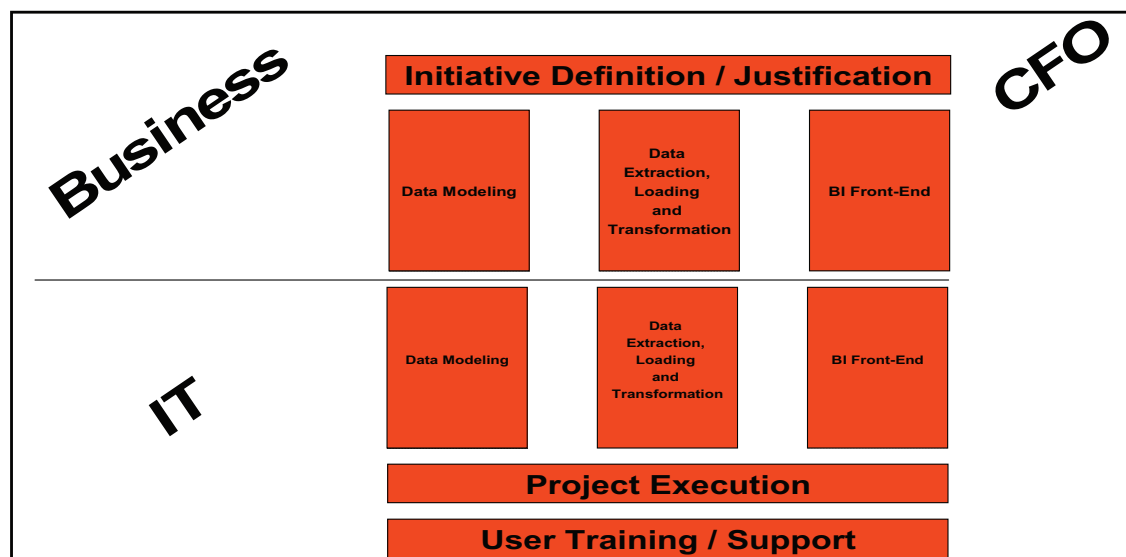


Figure 3. Stakeholder's major roles and responsibilities through the life cycle of a BI initiative

Business Roles and Responsibilities in BI Governance

The Business area representatives play a key role during the initiatives definition phase. In fact, they actually play a dual role, one inside their particular area, and a slightly different one in the BI Governance committee. Inside their department, it is their responsibility to participate in the internal discussions to analyze the impact that different BI initiatives might have on their organization. They have to take an impartial decision to pick a handful of initiatives that will be taken to the BI Governance committee. Once at the committee, the business area representatives need to clearly articulate to the organization the benefits of the initiatives they are sponsoring, as they will be “competing” for resources against other business areas.

In a traditional BI Governance paradigm, the job of a business area representative is “complete” when one of their initiatives is approved by the committee. However this is rapidly changing to accommodate other responsibilities like participating in data modeling, data integration and the users’ BI experience, not to mention owning the CM strategy.

Business user participation during the data modeling exercise is highly requested as they are the ones who know the operation of the business; they can help the data modeler understand the business processes that are established and identify current and future business scenarios.

The business users’ involvement in data integration is critical to the success of the initiatives. Their knowledge of the data and the business processes makes them ideal candidates to become or designate the data stewards: the person responsible to define the data loading exception scenarios and approve the recovery strategies proposed by IT. Furthermore, the business area representatives have ownership of the Data Quality criteria and the enforcement of policies for the initiative.

As the business area representatives speak for everyone in their areas, it is their responsibility to take ownership of the user experience. The definition of naming standards, folder structures and the report organization in general impacts this user experience. As subject matter experts, they also own the metadata and object descriptions. The establishment of guidelines to govern the creation of additional end user objects (e.g. reports, metrics, etc) also belongs to them as it significantly contributes to define the user experience.

Last but not least, the business user representatives need to spend some time on the conceptualization of the CM strategies that they will execute in their particular business area. (E.g. establishing workshops defined by users, lunch & learns, contests and other activities that encourage the early adopters to share their best practices)

IT Roles and Responsibilities in BI Governance

Traditionally, IT participated in the BI Governance committee from the project management and BI Front-end work perspective. While these two responsibilities are certainly important, they are not sufficient to be successful. Other roles that are slowly becoming critical in governance are: data modeling, data integration, enterprise BI architecture and training.

The Project Manager on the BI governance committee will liaison with the Project Management Office (PMO), making sure a Project Manager (PM) is assigned to each initiative lined-up for execution.

The BI Front-end work has seen a significant change over the last couple of years; before IT used to set the direction and the business was expected to follow. Given that this approach did not take into consideration many of the business needs and it did not encompass a seamlessly defined user experience across initiatives, we are seeing a trend where the business users representatives are stepping up to the plate to participate in the decision making; effectively creating a Joint Action Team (JAT). While it's a team effort, the Front-End BI lead and the Enterprise BI architect are still on the hook for critical decisions such as: selecting the proper tools, defining the BI architecture, establishing the proper infrastructure, implementing the training for users and coordinating support and maintenance across the business areas projects.

Data Modeling, which traditionally was done behind the scenes is now being introduced as part of the BI Governance model to ensure the business users will participate in the data modeling sessions to capture the right elements and accurately reflect business processes. The Data Modeler lead will chair these sessions and interact with the appropriate business users as required by the project.

Data Integration, also known as data plumbing, was not something the business users had visibility into before. Imagine the surprise of a business user when he was contacted by IT to be designated as a data steward; with no context or understanding of the activities that they were going to commit to. No wonder IT did not get much traction from the business users and had to resort to escalation processes to solve particular data challenges. In the new model, IT partners with business to ensure success of the initiatives. In addition to providing the proper infrastructure, the Data Integration lead, along with the Enterprise BI Architect lead own the tool selection process, the data integration architecture and the implementation of data and data quality policies. Not to mention the responsibility to interface with the Data Stewards to resolve data situations and correct data issues.

Training is another key role that traditionally has been bounced between IT and the business. In the past nobody wanted to take ownership of training as it implied a significant invest in time to prepare the material and probably even more to teach it. As the organization evolves, developing the training material and coaching the trainer is starting to become IT's responsibility, while the business areas provide end trainers.

The BI manager will be available for escalation of project issues, if needed.

Implementing BI Governance, what are the first steps?

Implementing BI Governance can be related to writing an article; in both, writing the first sentence or giving the first step is always the toughest one. The first step sets the direction of the whole program as it will tell the people in your organization how you are conceptualizing the whole process to work. It is this author's recommendation that the first step be to get executive sponsorship, preferably from the CFO.

Second, it is extremely important to identify who the business stakeholders are in the organization, communicate the benefits that BI governance can bring to their areas and discuss their specific BI pain areas / opportunities. Outlining how the BI Governance process can help them attenuate / solve their situations will give them a compelling reason to support the initiative.

Next, the stakeholders in IT will have to be identified. Furthermore, the responsibilities among Data Modeling, Data Sourcing and BI Front-end will have to be clearly defined. The BI Architect and the project manager will have to be designated.

Once the stakeholders are identified and executive sponsorship is obtained, it will be time to bring the people together. A mission statement and specific strategies/goals will have to be crafted and approved during the first session. During this meeting sub-committees might be defined to discuss specific topics that do not require the whole group. If possible, it is also suggested to schedule at least the next four meetings of the group so everyone knows the dates and commits.

Conclusion

The proper implementation for a BI Governance process will have challenges; just getting people together will be a daunting task in itself. However never doubt that the benefits to the organization and the BI team will be there, eager to show-up as they are given a chance.

Author Profile

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