



Gartner Says Nearly One Third of Organisations Use or Plan to Use Cloud Offerings to Augment Business Intelligence Capabilities

Analysts to Explore the Future of Business Intelligence and Analytics at Gartner Business Intelligence Summit

2012 in Sydney, 21-22 February 2012

Nearly one third of organisations either already use or plan to use cloud or software-as-a-service (SaaS) offerings to augment their core business intelligence (BI) functions, according to Gartner, Inc.

According to a survey of 1,364 IT managers and business users of BI platforms in the fourth quarter of 2011, only 17 percent of organisations have replaced or plan to replace parts of their core BI functions with cloud/SaaS offerings. However, almost a third (27 percent) already use or plan to use cloud/SaaS options to augment their BI capabilities for specific lines of business or subject areas in the next 12 months.

Business users are often frustrated by the deployment cycles, costs, complicated upgrade processes and IT infrastructures demanded by on-premises BI solutions, said James Richardson, research director at Gartner. SaaS- and cloud-based BI is perceived as offering a quicker, potentially lower-cost and easier-to-deploy alternative, though this has yet to be proven. Its evident that, despite growing interest, the market is confused about what cloud/SaaS BI and analytics are and what they can deliver.

Gartner has identified three major drivers for the adoption of cloud/SaaS offerings for BI, analytics and performance management:

Time to value: The use of SaaS BI may lead to faster deployment, insight and value, particularly where IT is constrained by existing work and/or limited budget so that it cannot respond to demands for information and analysis as quickly as the business requires.

Cost concerns: The cost dynamic differs between on-premises and SaaS models. Software purchased as a service can usually be expensed, rather than capitalised, on the balance sheet. Buyers often think that SaaS is cheaper, but the reality is that this is unproven. Gartner's cost models show SaaS can be cheaper over the first five years, but not thereafter. The long-term benefits lie elsewhere in terms of cash flow, reduced IT support costs, etc.

Lack of available expertise: SaaS analytic applications offer prebuilt intellectual property that can help firms work around a lack of the skills needed to build their own analytic solutions.

Instead of disrupting the enterprise BI platform and corporate performance management suite market, a more likely scenario is that SaaS and cloud-based offerings will tap into new opportunities e.g., with midmarket companies that have yet to invest in BI, or by offering domain-specific analytics.

If their operational business applications are in the cloud, organisations should consider pursuing cloud BI/analytics for those domains, said Mr. Richardson. However, they must assess risks on an ongoing basis and ensure their chosen cloud provider has appropriate business skills to provide a viable outcome. They must also ensure their BI strategy outlines how to ensure that data flows to and from these solutions in order not to become yet more silos of analysis.

For details of the Gartner Business Intelligence Summit 2011 taking place on February 6-7 in London, please visit www.gartner.com/eu/bi. Members of the media can register by contacting Laurence Goasduff at laurence.goasduff@gartner.com.

For details of the Gartner Business Intelligence & Information Management Summit 2012 taking place on February 21-22 in Sydney, Australia, please visit www.gartner.com/ap/bi. Members of the media can register by contacting Susan Moore at susan.moore@gartner.com.

The Gartner Business Intelligence Summit 2012 in Los Angeles takes place on April 2-4 at the JW Marriott hotel at L.A. Live. Additional information is available at www.gartner.com/us/bi. Members of the media can register by contacting Christy Pettey at christy.pettey@gartner.com.

About Gartner Business Intelligence Summit 2012

The Gartner Business Intelligence

Summit will help organisations transform their decision-making by examining new developments in BI, how analytics and BI relate, improvements in data quality, analytics in the cloud, and the linking of BI to master data management.

Additional information from the event will be shared on Twitter at http://twitter.com/Gartner_inc using #GartnerBI.

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Gartner delivers the technology-related insight necessary for its clients to make the right decisions, every day. From CIOs and senior IT leaders in corporations and government agencies, to business leaders in high-tech and telecom enterprises and professional services firms, to technology investors,

Gartner is a valuable partner to 60,000 clients in 11,500 distinct organizations. Through the resources of Gartner Research, Gartner Executive Programs, Gartner Consulting and Gartner Events, Gartner works with every client to research, analyze and interpret the business of IT within the context of their individual role. Founded in 1979, Gartner is headquartered in Stamford, Connecticut,

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