



Only Three Percent of Business Intelligence Software Revenue Will Come From the Cloud in 2013: Gartner

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

2012 in Sydney, 21-22 February 2012

Cloud offerings will account for just 3 percent of BI revenue by 2013, despite every major BI platform vendor presenting one, according to Gartner, Inc. By 2014, fewer than 30 percent of business intelligence (BI) initiatives will align analytics completely with enterprise business drivers, despite alignment being the foremost BI challenge. In addition, Gartner analysts said that by 2013, BI initiatives will be based on an organisational model that strikes a balance between centralised and decentralised delivery.

The immediate future of the BI landscape is one of a disconnection between marketing hype about pressing challenges on the one hand and reality on the other, said Andreas Bitterer, research vice president at Gartner. The need for analytics does not match most organisations skill requirements; vendor hype for cloud-based BI is not reflected in revenue and customer adoption, and there is a struggle between centralized and decentralized organisational models of BI delivery.

Gartner's three top predictions for the BI market are:

By 2013, every major BI platform vendor will present a cloud offering, but these will account for just 3 per cent of total BI revenue.

The BI market is not exempt from cloud-related hype. Current adoption of "cloud BI" by user organisations lags far behind the expectations of vendors, which are busy creating and marketing new off-premises solutions. Organisations that have already invested in on-premises BI infrastructure are hesitating to identify a segment of their BI initiative for which data can be moved into the cloud and reports and dashboards received from a cloud provider. However, companies that have subscribed to a specific cloud application, such as customer relationship management, payroll or help desk

service, are more inclined to use BI functionality delivered by their cloud provider, as they see it essentially as an extension of the cloud application.

By 2013, BI initiatives will be based on an organisational model that strikes a balance between centralised and decentralised delivery.

Many BI programs have departmental roots with analytical resources embedded in the business. This model has worked well in serving departmental needs, but it lacks consistency in terms of data definitions and measures across an entire organisation. Often, the IT organisation has solved this inconsistency problem by establishing a central team to deliver BI. However, such an overly centralised model lacks the agility and familiarity of the decentralized model. A hybrid delivery model enables greater consistency and economies of scale, more autonomy and faster turnaround times.

By 2014, fewer than 30 percent of BI initiatives will align analytic metrics completely with enterprise business drivers.

The foremost BI challenge is to align initiatives with corporate strategy and objectives, but fewer than one-third of organisations have a documented analytics, BI or performance management strategy. Organisations often develop and deploy hindsight-oriented reports and/or query applications focusing on metrics that users may find interesting, but they don't represent the operational or strategic controls used to facilitate business performance.

With the increasing consumerisation of BI (for example, mobile BI), the growing volume and variety of available data, and the soaring speed of business, it can be challenging to establish appropriate "guard rails" for analytic implementations to ensure that the right data is presented to the right people and processes at the right time. These user/data growth factors also challenge the cohesion of metrics frameworks among lines of business, resulting in business functions that operate in conflict with one another; for example, one group may focus on profitability, while another concentrates on market share.

Throughout 2012 and beyond, BI will remain subject to nontechnical challenges, said Mr. Bitterer. IT leaders should concentrate not only on the technological aspects of BI, but also on the severe lack of analytical skills. Second, they should use a think global, act local approach in their BI programs to provide the right level of autonomy and agility to avoid the bottlenecks that overly centralised BI teams create, while simultaneously establishing enough consistency and standards for enterprise wide BI adoption.

More information is available in the report "Predicts 2012: Business Intelligence Still Subject to Nontechnical Challenges," available on Gartner's website at www.gartner.com/resId=1873915. This document is part of Gartner's overall 2012 Predicts coverage, which is available at www.gartner.com/predicts. The Gartner Predicts Special Report overview includes links to more than 70 Predicts reports, categorised by topic, industry and market.

About Gartner Business Intelligence Summit 2012

The Gartner Business Intelligence Summit 2012 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 and using #GartnerBI.

For further information on the Gartner Business Intelligence and Information Management Summit 2011 taking place on 21-22 February 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.

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