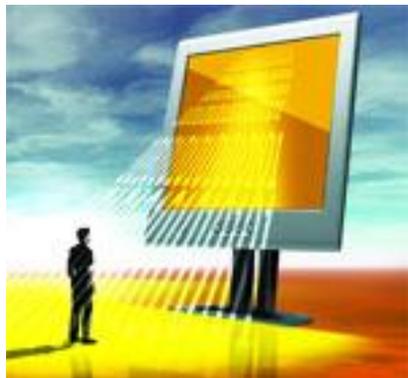# Knowledge power

What better time to improve efficiency than now? Investing in Business Intelligence is a must for your customers, if they care for efficiency, that is

Slowdown is already affecting businesses everywhere. So why would anyone invest in new technologies in these times? But probably, that's not the case with Business Intelligence (BI).

BI is a tool that helps in business efficiency in a cost effective manner. Pallavi Kathuria, Director, Server Business Group, Microsoft India, says, "We think this is an area which customers are still looking at as one of the key areas to bring efficiency into the way the customer drives their business. The reason why demand is still growing. Also this will help partners to create relationships with customers at the Business Decision Maker (CEO, COO, CIO, and Business Unit Head) level and help them spawn other opportunities."

Market for BI

A Gartner study said the rapidly growing Business Intelligence market in India underwent a growth of 35.6 per cent in 2005-06. However, it is important to note that the Indian market represents less than 4 per cent of the total Apac market. This clearly shows the amount of potential the market presents.

For factors like faster decision making and better performance management, organizations are making appropriate business data available and visible to all employees at every level rather than just the top management. As a result, today BI deployments and usage is spreading broadly across the organizations than restricted to the top management.

Channels going for BI

Despite the slowdown, Mumbai-based Amit Trivedi, Director and Co-founder, Mondial continues to receive enquiries for BI installations. "We have received around three queries in the past 20-25 days, not counting the ones from SMBs. Companies are looking at BI tool as a cost cutting mechanism and one that aids in better decision making," he says.

Trivedi entered the BI segment five months ago and has witnessed satisfactory growth. About 70 per cent of his business revenue comes from BI implementations.

Ahmedabad-based Suketu Shah, CEO, Soham Computers bundles BI tools along with ERP implementations. Most of his clients belong to pharmaceutical companies and have around 1300 clients currently.

"The business is definitely better after the bundling. The billing pattern of pharmaceutical companies is extremely complicated. However, after the deployment of BI tools, things became much easier for them."

Even as partners are realizing the importance of BI, vendors are making efforts to promote this technology through partners.

"We are seeing our partner traction in this space rapidly expanding. Since the BI market in India is still evolving, most customers are making their BI decisions and readying themselves for the future. Customers who have deployed BI solutions will look to solidify and make their system more robust and responsive and customers who are starting afresh will set up a small data warehouses to derive small, less complex reports and scale to more complex reporting over 12-18 months. This will augur well for the partner ecosystem as they constantly will up-skill themselves for the next wave of solution offerings," says Kathuria of Microsoft.

The resellers could see more revenues and therefore more rebates by selling BI products. Second, consolidation will drive the need for more implementation type services by the specialized BI partners, she adds.

Need for BI

BI applications guide companies through a process that helps figure out wasteful practices that can be eliminated and sustainable ones that can be enhanced. In addition, BI can be used to track productivity. Companies can use preset metrics to determine their sustainability or they can add their own customized metrics. As the sustainability of each business practice increases, so does the business.

According to Sanjay Mehta, CEO, MAIA Intelligence, "BI helps organizations be more efficient, and correspondingly helps them boost profits. For example, logistics companies can allow comparing periodic performance across the fleet at a glance. Business critical data is presented on simple displays using graphics to identify performance versus investments. BI gives individual performance, productivity, idle time to help companies to motivate the teams to look for more efficient ways and to save on resources."

Talking about the importance of BI during recession Mehta says, "BI becomes the recession fighter. With the risk of a recession hanging like a high maintenance relative who doesn't know when to go home, BI is going to be the foundation for fighting back bad economic news, and creating entirely new approaches to measuring marketing, manufacturing, services, pricing and operations performance."

The catalyst

Channel case study: Soham Computers, Ahmedabad

Suketu Shah

Suketu Shah of Soham has been in IT business for the past 22 years now. He believes in developing a niche for long term survival. His company, Soham specializes in enterprise applications like ERP and business intelligence. Shah considers pharmaceutical and healthcare sectors as promising verticals of tomorrow. "I have been associated with pharma companies for a fairly long time and I think it is one of the booming verticals in India. These companies are fast deploying IT solutions for better efficiency," says Shah.

Soham Computers is majorly into ERP implementations and works with vendors like Oracle, Microsoft Dynamics and Maia Intelligence. The company has a customer base of around 1300 customers.

Commenting on need of BI in healthcare, Shah said, "Most of the pharma companies have different billing cycles. It is difficult to satisfy customers and meeting their requirements because of the immense amount of data. I advocated use of BI tools to resolve these issues. Clients were happy after they saw the demonstration."

He further informs that he experiemented with BI as a tool to check the quality of old products, earlier. The technology proved beneficial in managing and comparing past data and client-response too was encouraging. Today Shah bundles BI along with ERP. "We show our clients how BI can be useful through demonstrations and also train them to use it. BI has helped us in increasing our sales. It also gives recurring revenues and helps in improving our goodwill in the market. BI acts as a catalyst for my own business," Shah says.

Growth Opportunities

SMBs are fast adopting BI tools. The SMB segment, especially the mid-market, is seeing great momentum in the BI space. Clearly, the competitive advantage that BI delivers is a compelling one.

Trivedi of Mondial largely deals in SMBs. Enterprises have always been a dominant player, but SMBs are emerging. "Customers from across verticals and Class B&C cities are coming forward to enquire about BI," says Trivedi. According to him, top three verticals are finance and banking, retail and manufacturing.

Kathuria of Microsoft says, "In the Indian context - IT, banking, telecom and manufacturing verticals have been the early adopters of BI technology. It is important to note that this adoption is true not only for BI solutions, but applicable as a trend for any new technology in general. While these verticals are expected to continue to lead the implementation - going forward, we see immense opportunity in other industries such as retail, financial services and insurance, as they are expected to become aggressive users. Apart from large enterprises, even key government agencies have started to look at the benefits BI can provide in serving citizens better, cut costs and exceed their organizational goals."

BI deployments and usage is penetrating to lower management levels as well. Customers will turn to look at reporting as one of the key criterion in a BI solution and this is largely geared to satisfy the requirements of operational users who take a large number of low impact decisions on a daily basis - such as the sales function. With an all round usage of BI, users across all levels of an organization can make better decisions and help companies drive strategy development, alignment and accountability across the entire organization.

Also, customers will now start demanding more variety and flexibility in the deployment and implementation of business intelligence. They look at using BI in innovative ways and look forward to implementations that will provide them with quick RoI. The standard procedure of getting to a monolithic data store will pave the way for more departmental data marts that will help them provide quicker answers to smaller problems.

After the technology is implemented, solution providers ensure they train their clients. "A proper demonstration is done for the customers to make them understand about the technology and its usage," says Shah of Soham Computers.

According to the partners, BI definitely brings in lucrative business opportunities to them. "Ever since I have started bundling BI tool, my sales have risen. However, the margins remain the same. Above all, I have managed to earn some goodwill in the market," says Shah.

Business challenges

BI technology is relatively new in the market. Lack of awareness is still a challenge for the vendors and channel partners. "People are now apprehensive about spending. Customers are yet to realize the importance of this technology and how it can prove beneficial during the slowdown," says Shah.

Trivedi of Mondial feels that SMBs are yet to mature to invest in BI. Making them understand is a big task. Deployment is again a challenge as one has to make the technology compatible to the user's requirements.

According to Kathuria of Microsoft, "Lack of vertical expertise tends to be the biggest challenge. It takes time for partners to get this expertise. This is essential to talk to the customer and give them the confidence that the partner would be able to significantly add value to their business. Only once they have it can they reduce the sales cycles which are associated with a solution sell like a BI project."

Future of BI

Despite the challenges, BI market is growing rapidly in India. Business Intelligence can now be available in delivery models like Cloud Computing, Mobility and SaaS. Hosted BI through software as a service is a new approach that is being pioneered by some vendors.

When facing a downturn in the market, executives need to look internally at their spending patterns to find greater efficiencies and cost savings.

With the current credit crisis, Business Intelligence (BI) programs and its components are in high-demand now more than ever to help institutions cut costs and treat it holistically.

- Yuga Chaudhari

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