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RESEARCH NOTE **IBM COGNOS EXPRESS**

THE BOTTOM LINE

Senior managers who have balked at the cost and complexity of adopting technology such as business intelligence (BI) and performance management (PM) should consider IBM Cognos Express as a way to adopt these technologies while minimizing time to benefit, deployment costs, and support costs.

In September, IBM Cognos launched IBM Cognos Express, which is an integrated BI and PM application designed specifically for small and midsize companies. The application provides tools and functionality in areas that include reporting, analysis, dashboards, scorecards, planning, budgeting and forecasting. The application's functionality is available in three modules which can be purchased separately:

- IBM Cognos Express Reporter, which enables end users to independently build reports and perform ad-hoc queries.
- IBM Cognos Express Advisor, which connects to operational data sources so that users can perform analytics and create assets such as interactive reports and dashboards. It also has visualization tools that enable users to create highly customized reports for presentation purposes.
- IBM Cognos Xcelerator, which enables Excel-based planning and business analysis.

Although nominally an application, IBM Cognos Express represents IBM's strategy for bringing BI and PM functionality to companies that have historically lacked the resources to deploy them.

THE CHALLENGE

Although tools such as BI and PM are somewhat broadly adopted at upper-midmarket and Fortune 500 companies, managers at smaller companies are yet to adopt them even though they may see their value and wish to deploy them. Some of the barriers to BI for the masses include the following:

- **Scale.** Companies with fewer than 1,000 employees sometimes lack the user base required to generate sufficient returns on a deployment of BI or PM.
- **Price resistance.** Companies that rely on Excel for ad-hoc reporting and analysis often know they should accomplish more with their data, but balk at deploying BI or PM because they view their potential deployment as too costly.
- **Risk aversion.** Many companies want to deploy BI or PM to overcome reporting and analysis-related challenges, but fear that it could disrupt operations.

TOPICS

Business intelligence & analytics

Unfortunately, smaller companies cannot postpone the adoption of BI or PM indefinitely. These companies are rapidly accumulating large amounts of data from heterogeneous data sources, but are unable to utilize that data in ways that enable workers and line-of-business managers to make better decisions. Small and medium sized companies have begun to use BI and PM to overcome these problems. The companies that succeed in using these technologies to make better decisions across their enterprises will be at a competitive advantage to those who don't.

IBM COGNOS EXPRESS

IBM Cognos Express is an integrated set of reporting, analysis, and planning modules purpose-built from components within IBM Cognos 8 to enable smaller companies to overcome some barriers to BI and PM. The offering has functionality in a variety of areas, including dashboards, scorecards, queries, analysis, and planning. Nucleus has identified several features of IBM Cognos Express that enable more streamlined and less risky adoption of these tools:

- **Price.** Licensing costs are a function of both the number of users and the number of servers. Deploying any of the modules requires a \$10,000 per-connector fee. Per-seat costs are relatively inexpensive. Under named-user arrangements, reporter or advisor seats are available at \$500 and Xcelerator seats cost \$1,000. Each of the modules can expand to up to 100 users.
- **Scalability.** The three components in the offering, query and reporting, analysis and visualization, and planning and analysis, can all be purchased separately.
- **Preconfiguration.** The application comes with a pre-built in-memory analytics server, content store, Web server, and data integration functionality. The application also has a pre-built, Web-based administration interface that enables application support staff to rapidly perform administrative tasks related to installation, configuration, and deployment.
- **Ease of use.** User interfaces are designed to enable novices to independently perform relatively complex tasks such as report authoring, drill downs, dashboard creation, planning applications, and querying.

BENEFITS OF COGNOS EXPRESS

Nucleus finds that IBM Cognos Express enables companies to rapidly achieve benefits from BI and PM functionality while also incurring deployment costs that are lower than Nucleus typically sees with an enterprise BI deployment. Benefits of the solution include rapid deployment, reduced training costs, and lower ongoing costs.

Lower deployment and reporting costs

Preconfiguration of features and tools such as OLAP cubes and security means that IBM Cognos Express can be deployed with far less customization and fine tuning. It also means that deployments can be completed with far less reliance on — and sometimes completely independently of — IT. This enables companies to minimize both deployment-related and ongoing costs such as personnel and consulting.

After the go-live date, companies can also use IBM Cognos Express to reduce the ongoing cost of relying on IT staff to build reports and complete other analytics-related projects. This is because the application has tools that enable people to independently perform queries, create reports, analyze information, and build

dashboards. The more end users can perform these tasks on their own, the less they rely on IT to create and continuously fine tune such assets.

Rapid time to benefit

Preconfiguration of features and tools also means that deployments are less complex and can be completed more rapidly. As a result, IBM Cognos Express end users enjoy productivity improvements and other benefits, such as better visibility, faster. Additionally, getting to a go-live date rapidly is as much about risk management as it is about time to benefit.

Another driver of time to benefit with IBM Cognos Express is more rapid adoption. Beta users tell Nucleus that end-user driven functionality, combined with system speed means that users are more likely to adopt, and most do so more rapidly because of ease of use. One user said, *"IBM Cognos Express can run a complex report in minutes or seconds, rather than several hours, which is what SQL takes. So more people opt in, they don't get frustrated, and they do more."*

For some companies, deployment speed is an important way to mitigate risk. Because IBM Cognos express deployments can be rapid and less complex, they are also unlikely to disrupt the operations of a small company, where even small deployment problems can affect operations and the resources to support deployments are typically scarce.

Reduced training costs

IBM Cognos Express deployments require lower investments in training because it has end-user interfaces that are designed for use by novices. They are also designed to look and feel like long-established tools such as Microsoft Excel, so that end users require little or no training. Another benefit of ease of use is breadth of adoption. The easier an application is to use — especially in the case of BI, which tends to be adopted in a fad-like fashion — the easier it will be to propagate its use to new user groups and increase returns on investment. One user said, *"If we migrate to IBM Cognos Express, average end-user training time will reduce from approximately 24 hours for traditional BI, such as SQL, to around 16."*

Lower software costs

IBM Cognos Express has a pricing arrangement with low price points and enables users to more closely scale costs with benefits than what is typically possible in deployments of BI or PM. IBM Cognos Express based on the numbers of both servers and end users. Deploying any of the modules requires \$10,000 per connector. Reporter or advisor seats are available at \$500 and Xcelerator seats cost \$1,000. Each of the modules can expand to up to 100 users. Given these price points, available financing terms, and the fact that the three categories of functionality can be purchased separately, CIOs or project managers can readily reduce risk by scaling deployment costs with the expected benefits.

BETA USER PROFILE

Nucleus analyzed an Australian hospitality company that has deployed IBM Cognos Express in a test environment, is aggressively end user testing it, and is considering it for adoption as its BI standard. Reasons that the adoption may be broadened are related to lower deployment and administration costs, as well as improved productivity. Deployment costs are lower because data cubes can be

constructed by more junior IT staff than is possible with most BI applications. Although IT staff was required for the initial deployment, the deployment manager is confident that ongoing administration can be handled by non-IT staff, which will raise the ROI of the deployment. The company even plans to delegate to non-IT staff tasks that are typically relatively complex, such as the creation of new data cubes.

The deployment is also seen as a tool for improving productivity because users are able to create assets such as queries and dashboards twice as fast as they can with traditional enterprise BI applications. Additionally, broader adoption is seen as attainable because of Excel-like interfaces. These benefits, combined with the speed of the application, enables employees to perform the iterative and experimental analyses that lead to better decision making.

Another motivation to broaden use of IBM Cognos Express at this company is the level of confidence that IT staff has in the performance of the application. The deployment manager stated that it is extremely robust and resilient to end user errors such as faultily constructed queries. Nucleus finds IT confidence to be an important issue in BI deployments. The more confidence there is that an application will meet high performance SLAs, no matter what users do to it, the less conservative IT will be in creating the BI footprint. This can significantly increase both the number of users achieving productivity benefits and returns on investment.

CONCLUSION

Senior managers of small and medium-sized businesses who have hesitated at the cost and complexity of adopting technology such as BI and PM should consider IBM Cognos Express as a way to rapidly adopt these technologies while also minimizing deployment and support costs. IBM Cognos Express helps deployment teams and project champions overcome adoption barriers because it comes with much of its functionality preconfigured, which reduces the need for IT resources and consultants and accelerates time to value. The application also enables end users to independently create BI and PM assets, which reduces the workload on IT after the go-live date. Training costs can also be reduced, because application's Excel-based interfaces enable rapid adoption.