

# BUSINESS INTELLIGENCE PROJECTS FAIL WITHOUT C-LEVEL OWNERSHIP

By Shamus McGillicuddy, News Writer

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When [business intelligence](#) software projects fail, IT is often blamed. But the failure can usually be traced to lack of leadership, not technology.

In fact, a new survey finds that a lack of ownership by the right executive often leads to a disconnect between the vision of senior management and the way a project gets done.

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Michael Carper  
divisional vice  
president of  
technology  
operations,  
Coldwater Creek  
Inc.

"The core issue with business intelligence [not succeeding] isn't a technical issue," said Betsy Burton, vice president and distinguished analyst at Stamford, Conn.-based Gartner Inc. Rather, she said, it's the failure on the part of business leaders to make sure the organization gets the information it needs and leverages it in a way that makes sense with the business objectives.

"It's interesting," Burton said. "The symptom that people see is a lack of vision, a lack of strategy, a lack of linking supportive business intelligence back to systems. It's very easy for managers to say, 'Hey the data is wrong,' rather than take an introspective look. They should ask 'Have I given the organization a clear sense of what we're trying to get out of business intelligence? Am I really arming my people within my organization with a sense of the importance and the metrics so that they can deliver valuable information?' It's easier to point at the numbers and say, 'The numbers are wrong. Fix them.'"

Burton, who surveyed 350 organizations about their business intelligence projects, found that only 10% reported their projects had a C-level executive sponsor with a direct link to the business. Twenty-five percent said their projects were sponsored by an IT manager, and 25% had no executive sponsor at all.

What raised the red flag for Burton, however, was that 40% of those polled said their business intelligence projects were owned by lower-level business executives. That isn't ideal, Burton said, because that group tends to have tactical rather than strategic roles -- which is what ends up sinking a project.

Even more alarming is that 65% of those polled said they viewed business intelligence technology as too complex and unusable and 69% said they lacked the skills necessary to use it anyway.

Few can argue that businesses are sold on the virtues of business intelligence. It's one of the fastest-growing sectors of the IT software market, according to Framingham, Mass.-based research firm IDC. Further, the business analytics market accounted for \$18.25 million in global revenue in 2006, and is forecast to grow about 10% a year during the next five years.

Experts contend that for many organizations a business intelligence initiative is a business project that's been dumped on the laps of IT and lower-level executives who haven't been keyed into the vision, and, worse, aren't expected to look at the data analytically. Ultimately, the project fails.

But some companies can point to business intelligence as being pivotal to its success. [Coldwater Creek Inc.](#), for instance, a clothing cataloger and retailer catering to professional women, is one of the nation's fastest-growing retailers. The Sandpoint, Idaho-based company, which was founded in 1984 and has 239 stores nationwide, is expected to see sales of \$1.24 billion this year. In 2006, retail store sales increased 46.1%, surpassing a \$1 billion sales mark milestone for the company.

Part of the company's success is attributed to its business intelligence initiatives. According to Michael Carper, the clothier's divisional vice president of technology operations, CEO and founder Dennis Pence has a vested interest in Coldwater Creek's business intelligence implementations.

"I think he had a pretty good idea of where he wanted to start and where he wanted to see it go in the early stages," Carper said.

Coldwater Creek uses business intelligence to determine where to build retail stores -- including the [65 new stores it expects to open this year](#), Carper added. It also analyzes what products are selling well and in which regions of the country. His company has a lot of data to look at, given that it sends out 140 million catalogs a year. Coldwater Creek has collected a lot of data about where its customers live and what they like to buy.

"We wanted [business intelligence] to exist outside of IT so it could move quickly," he said. "It was inspired by our founder to be quick and agile for making business decisions. We're successful primarily through being able to understand the business through business intelligence."

Making sense of all that information isn't the job of IT. It's up to the business to figure out how it wants to use that information. IT just delivers the tools to let business users utilize the data.

"[Business intelligence] definitely can't be an IT project," Carper said. "I don't think it has much value without the business. It has [been] facilitated by business intelligence and technology, but it's largely a business analytics function. The business should feel like they own this to a certain extent."

*Let us know what you think about the story; email: [Shamus McGillicuddy, News Writer](#)*