

White Paper

# Five Questions to Ask Before Selecting an Advanced Analytics Solution Provider



## Executive Summary

Evaluating advanced analytics solutions can be a confusing and complex process.

However, knowing the right questions to ask can greatly reduce the risk of selecting the wrong solution provider.


Over the last decade, advanced analytics has been at or near the top of the list of priorities for many executives and information technology professionals throughout the world. Organizations have made major investments in database technologies including CRM, ERP and other transactional systems that run the operations of a department, division and subsidiaries. As a result, most organizations have access to valuable data and are looking for ways to leverage it for a competitive advantage. Transforming raw data into meaningful and useful information enables more effective strategic, tactical, operational insights and decision-making.

With hundreds of advanced analytics tools available in the market, a sound selection strategy that integrates business requirements accurately is more important than ever. This white paper explores five key questions to ask yourself before selecting an Advanced Analytics solution provider.



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A dark, blue-tinted photograph of two men in business attire. The man on the left is looking down at a document, and the man on the right, wearing glasses, is also looking at the document. They appear to be in a meeting or collaborative work environment.

Evaluating **analytics solutions** can be a confusing and complex process. However knowing the right questions to ask can greatly reduce the risk of selecting the wrong solution provider.



## Before You Begin

A recent survey revealed that organizations that place greater emphasis on the solution provider evaluation process tend to have a more successful project. Not surprisingly, these organizations also consistently outperform their competitors in the marketplace. The true value of an analytics solution lies in the insight it provides on business operations and the opportunities it creates for better decision making.

Understanding the business requirements for an advanced analytics project is crucial to the selection strategy that aims to align with the overall business objectives while addressing the needs of business users. Failure to integrate business requirements into the selection process can result in substantial cost overruns or, even worse, project failure.

Organizations will differ in terms of their advanced analytics decision support needs. The questions that follow have been designed to identify steps in developing an effective advanced analytics solution process selection to meet your organization's needs. These questions are not intended as a substitute for developing more formal requirements. Rather, they are designed to help identify high-level topics that should be considered when evaluating multiple advanced analytics solutions.

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## How well does the solution provider understand your organization's advanced analytics requirements and are they willing to partner with you to help develop an overall strategy versus just implementing enabling technology?

The number one reason why advanced analytics projects fail is a lack of definition from the users who need access to the information. Those pursuing an advanced analytics strategy need to conduct enough internal legwork to ensure they fully understand the scope of the challenges that the advanced analytics solution is supposed to help solve. Understanding the business requirements for an advanced analytics project is crucial to the selection strategy that aims to align the overall business objectives with the business users' needs. Failure to integrate business requirements into the selection process can result in additional costs or project failure.

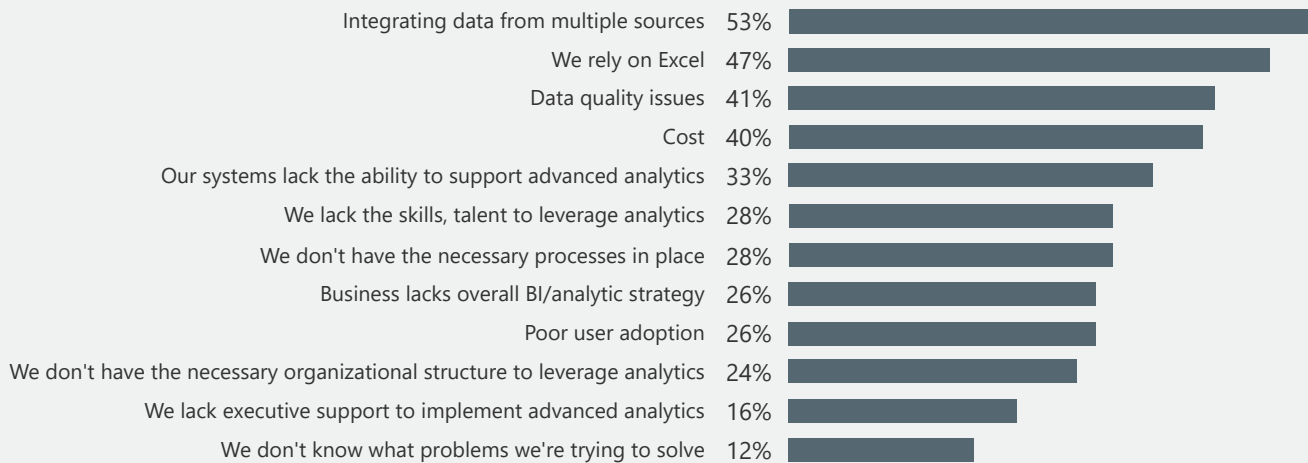
**The number one reason why advanced analytics projects fail is a lack of definition from the users who need access to the information.**

### Consider this example:

ABC Company's replenishment planning team is tired of the length of time it takes to receive inventory status reports and begins looking for an advanced analytics solution to assist in departmental level data needs. They move forward with a vendor that specializes in supply chain dashboards. At the same time, the company's manufacturing planning team is evaluating options to analyze their wealth of manufacturing information to help improve the operations of their plants.

Multiply these scenarios by numerous departments in an organization and this results in paying several times over for multiple solutions that all do effectively the same thing!

### Obstacles Faced when Adopting, Implementing or Running Analytics



Source: Peerless Research Group and Logility, April 2018

A more cost effective scenario is for the replenishment planning and manufacturing planning teams to collaboratively scope the information requirements for the organization. In addition, the solution may need to have the flexibility to deliver in other parts of the organization, so include those departments, too. Once all areas are identified, ABC Company can evaluate and select a single solution to provide the fast information retrieval for the supply chain staff; satisfy manufacturing planning and analysis capabilities; plus deliver on any other departments' advanced analytics needs. A major part of defining an advanced analytics project is to understand what information the company uses today and what additional access to information is needed in the future. Interviewing business users to learn what information they wish to access will help refine the project scope and likely affect the solution selected.

Your requirements definition also needs to address how your business users want to consume the data. For example:

- Do they want information pushed out to them in an email every day, or do they want to login somewhere to get the information they need?
- Is integration with mobile devices and tablets needed?
- Does the solution integrate with existing tools within the organization such as Microsoft SharePoint, your ERP or CRM solution?
- How well a solution can support the needs of business users is a key selection criterion.

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The ultimate determinant of the success of an advanced analytics solution is user adoption and key stakeholder satisfaction. Remember the "shelf ware rule"—a solution that does not address the business needs will never be adopted by the users.

Developing and understanding an organization's information road map is the first step to a successful project. More importantly, the information road map should be aligned with your organization's strategic goals. Companies frequently make the mistake of defining advanced analytics requirements around a set of metrics or reports without fully considering what business decisions and actions will be taken based on those metrics. Finding an advanced analytics solution partner who fully understands the needs of your business and can help you develop an advanced analytics road map, based on your organization's strategic goals, is paramount.



**Bottom Line:** Choose a solution provider who will partner with you to help develop an advanced analytics road map based on your organization's strategic and operational goals versus a vendor that is solely focused on implementing a software product.

## Does the solution have the ability to work with a wide variety of data sources and quickly integrate new data sources?

Beyond understanding the business requirements, you need to understand where your data is actually stored. Is it in a single database or are there multiple databases, each dedicated to an individual department or process? Are budgets and forecasts in Excel or are they integrated into other legacy systems? Is a CRM tool being used and how is it being used? Where exactly is the data that the business users want to report on and analyze?

**The ability to reach all of your company's information assets—regardless of where they are housed—is vital to a successful advanced analytics project.**

The ability to reach all of your company's information assets—regardless of where they are housed—is vital to a successful advanced analytics project and a topic to explore with any advanced analytics solution provider. Many advanced analytics software providers offer reporting tools that are only capable of pulling information from a single database source. But most business questions require connections to multiple data sources for comprehensive answers. Choosing an advanced analytics solution that can bring together multiple, disparate supply chain data sources in a quick and easy manner will greatly improve the chances of user adoption and your advanced analytics project's success. The end goal should be a solution that handles the required data integration to produce "one version of the truth."

### Data Warehousing Makes Integration Easier



Source: Logility and Halo Business Intelligence, 2019

Another important consideration is understanding how the advanced analytics solution deals with data quality. The old adage of "garbage in, garbage out" is never truer than it is with advanced analytics reporting. Today's innovative analytics solutions use advanced machine learning to ensure data quality throughout the process. Find out if the solution provider has an integrated data quality solution, or if the assumption is that data hygiene will be performed outside of the advanced analytics platform. Selecting an advanced analytics solution that incorporates data quality will help ensure that decisions are based on accurate information.

Lastly, keep in mind that not only should the selected advanced analytics solution work with the current data environment, but also think about future requirements. Your business has access to a growing list of data sources from internal enterprise systems, social networks and syndicated sources such as weather data, housing starts and more. And, new data sources are coming online every day! It's not uncommon for an organization to need to integrate 20 or more data sources into an advanced analytics system. Ask prospective providers how easy it is to integrate new data sources in their advanced analytics solution once the solution has been implemented.

**Selecting an advanced analytics solution that incorporates data quality will help ensure that decisions are based on accurate information.**



**Bottom Line:** Choose an advanced analytics solution that is flexible enough to integrate multiple data sources from multiple sources quickly, and ensure data accuracy with built-in data quality tools.



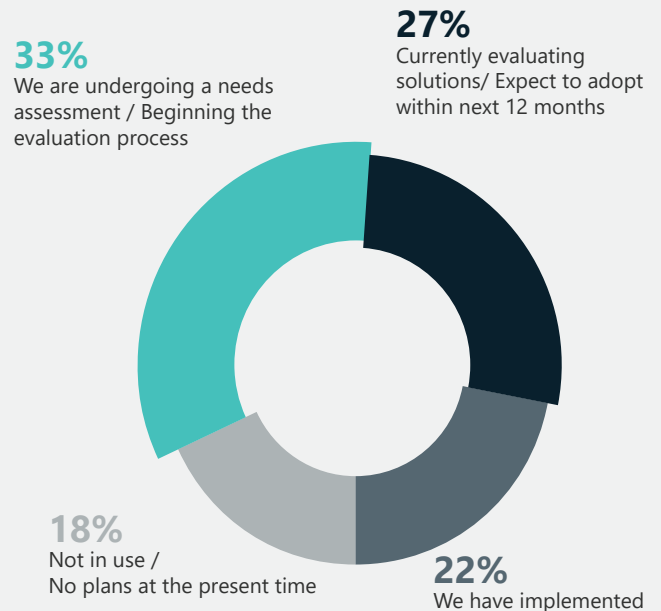
## How quickly can the platform be live and, more importantly, start generating useable business insights?

The speed to deliver a working advanced analytics solution to the defined specification is a key consideration when selecting an advanced analytics solution provider. Because advanced analytics is typically a broadly deployed solution, the risk of scope creep and project over-runs are extremely high. Unfortunately, poorly executed advanced analytics projects have brought a premature end to more than one IT professional's job. One way to mitigate this risk is to break up the larger project into smaller pieces or "sprints." This begins with prioritizing business requirements based upon the company's strategic goals, then deploying on a rolling basis based on those priorities "e.g. demand planning first, then replenishment planning, then manufacturing planning, and so on". Using this rapid deployment methodology, you can cut down implementation time frames from months to a matter of weeks. Once you've determined your company's advanced analytics priorities, ask each solution provider how long it will take for the initial deployment and then subsequent deployments. Then compare their responses.

As a practical example, say a manufacturer has invested in opening a new manufacturing plant. The market and distribution channels are established and everything is in place to take the products to market. This manufacturer has a choice: open the plant in eight weeks so the organization can start to recover its investment, or wait to open in six months to effectively delay the ROI with the same result. Why would the manufacturer wait?

Advanced analytics projects should not be any different. If a company has clear, defined information requirements and finds multiple partners that deliver the required functionality, the decision should then move to how quickly the advanced analytics implementation will be complete and generating useable results. Make sure the agreed upon time of delivery is specified in the purchase agreement. However, getting a written commitment to a time frame is only the first step. Speaking with existing customer references can validate their experiences. Customer references, coupled with the time frame for completion and time to value, provide the information you need to make an informed decision.

### Adoption and Usage of Supply Chain Analytics



Source: Peerless Research Group and Logility, April 2018



**Bottom Line:** Choose an advanced analytics solution provider whose solution supports a rapid deployment methodology to help realize quick wins and minimize the risk of a failed project.

## What resources will be required to manage and grow your analytics capabilities post-deployment?

The initial deployment of an advanced analytics solution represents only a fraction of the cost [and benefit] of the total advanced analytics project. The full cost of the project includes the ongoing maintenance and expansion of the advanced analytics solution. As your business requirements change, so must the advanced analytics system. Unfortunately, many advanced analytics solution providers today can be described as Software Suppliers In Name Only, [SSINO]. That is, they sell advanced analytics software at a very low cost with the plan of making additional revenue by billing the client for services on the back-end. When evaluating advanced analytics solution suppliers, it's important to understand their business model. One question to ask is, "What percentage of your revenue comes from software licenses versus services"? If the majority of the supplier's revenue is generated from services, it's highly likely that they are a SSINO.

### **Choosing a holistic BI solution, one that incorporates all of the functionality necessary to meet your organization's BI requirements now and in the future – minimizes the cost and risk associated with piecing together multiple point solutions.**

Another factor to consider when evaluating post-implementation costs is the skills required to develop and/or maintain the advanced analytics application. Depending on the size of your organization and the solution you select, you may need as many as 20 specialized skills sets to deploy and maintain. Whether you decide to hire or outsource, the price to acquire these specialized resources can be substantial and for many organizations, this reality can stop a new analytics project before it gets off the ground. Choosing an advanced analytics supplier who provides a solution that leverages your existing IT infrastructure [e.g. Microsoft] and skill sets [e.g. SQL] can significantly reduce the total cost of your advanced analytics solution.



**Bottom Line:** Choose an advanced analytics supplier who provides a lower total cost of ownership based on leveraging your current IT infrastructure and minimizing the number and type of specialized skill sets required to implement and maintain the solution.

## How comprehensive is the solution and will the solution support your business requirements now and in the future?

It is important to understand the breadth and depth of functionality of the advanced analytics solution you intend to purchase. Advanced analytics solutions today span a wide variety of functionality. Some solutions are focused solely on front-end reporting for end-users. Others excel at back-end functions like extracting and aggregating various data sources. Choosing a holistic advanced analytics solution—one that incorporates all of the functionality necessary to meet your organization's advanced analytics requirements now and in the future—can minimize the cost and risk associated with piecing together multiple point solutions. One might ask, for example:

- Does the application support such "back-end" functions as data extraction, transformation and loading [ETL] as well as "front-end" reporting?
- Does the solution allow users to navigate up or down in order to evaluate both summary and detailed analysis?
- Does the solution include real-time monitoring and predictive analytics?
- Does it include restrictions on access to data that certain users shouldn't be allowed to see, allowing each user to work with only the data that is relevant to their role?



**Bottom Line:** Choose an advanced analytics solution provider whose solution supports a rapid deployment methodology to help realize quick wins and minimize the risk of a failed project.

### Applications That Leverage Supply Chain Analytics



Source: Peerless Research Group and Logility, April 2018



## Conclusion

Evaluating advanced analytics solution providers can be a confusing and complex process. It shouldn't be. Knowing the right questions to ask can greatly reduce the risk and help you select the right solution for your business. The right advanced analytics solution must provide business decision makers with the information needed to obtain operational and strategic business objectives. While some believe that choosing a supplier with the most name recognition will provide the optimal value, a well-known supplier does not always mean it will be the best solution for a particular organization. Furthermore, name recognition usually comes with a heavier price tag. Look for a supplier that provides the solution that best suits the particular decision support needs of your business—both now and in the future.



## About Logility

Accelerating the sustainable digital supply chain, Logility helps companies seize new opportunities, sense and respond to changing market dynamics and more profitably manage their complex global businesses. The Logility® Digital Supply Chain Platform leverages an innovative blend of artificial intelligence [AI] and advanced analytics to automate planning, accelerate cycle times, increase precision, improve operating performance, break down business silos and deliver greater visibility. Logility is a wholly owned subsidiary of American Software, Inc. [NASDAQ: AMSWA].

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