Forrester Consulting
Thought Leadership Executive Summary
Commissioned By SAP

April 2018

Hybrid Cloud Boosts Analytics Maturity And Supports Business Growth

As digital businesses thrive and the digital transformation continues to rise, firms looking to remain competitive need more than the traditional bare-bones, stand-alone siloed analytics solutions. Organizations must dramatically increase the penetration of analytics (including user adoption) and empower more business users to make better, insight-driven decisions.

Businesses have long been collecting data on consumers, business processes, market trends, and more. High-growth companies differ from the rest by their ability to leverage that data effectively across the organization to drive positive business outcomes (i.e., effective data analytics and business intelligence). Our survey found that 92% of companies with well-established analytics/BI practices have seen revenue growth of 15% or greater over the last three years.

Utilizing a hybrid strategy for analytics/BI solutions can be extremely beneficial, as a proper hybrid strategy can help companies fully leverage their on-premises solutions and extend or expand to the cloud as needed to support growing business needs. Developing analytics/BI maturity requires companies to find the right solutions that exhibit a robust suite of functionalities, but organizations also must ensure their analytics/BI processes are secure, easy-to-use, and simple to acquire. Our research found that analytics/BI maturity is directly correlated with higher revenue growth and satisfaction with analytical capabilities (see Figure 1).

ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester's Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit forrester.com/consulting.

Summary of results from the SAP-commissioned Thought Leadership Study, "Improving Business Performance By Closing BI Maturity Gaps With Hybrid Cloud Deployments."

Click here to read the full results of the study:
www.sap.com/hybrid-cloud

METHODOLOGY

In this study, Forrester conducted an online survey in the US, Canada, Mexico, Brazil, the UK, Spain, Italy, France, Germany, China, India, Korea, Japan, and Australia/NZ to evaluate business intelligence strategies and the use of cloud in those strategies.

To achieve these objectives, Forrester conducted an online survey with 485 analytics and BI decision makers across the globe with responsibility for their organization's analytics/BI strategy. The study was published in April 2018.

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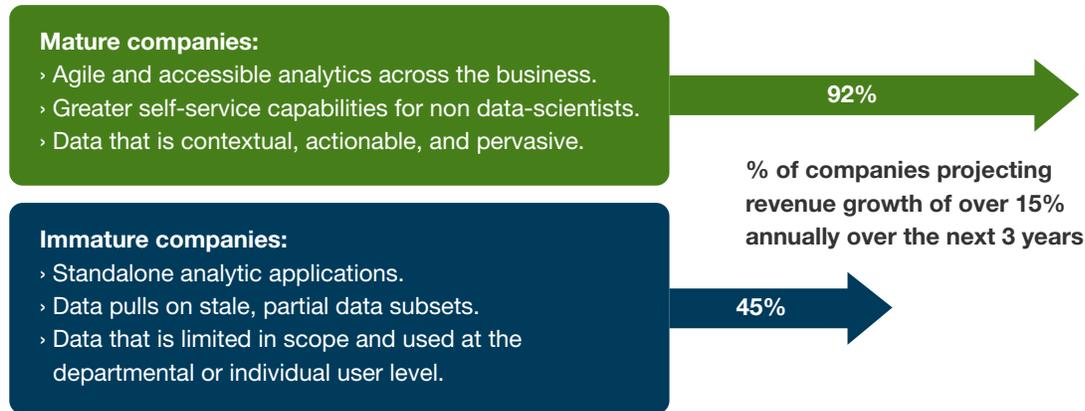
Figure 1

Mature companies:
› Agile and accessible analytics across the business.
› Greater self-service capabilities for non data-scientists.
› Data that is contextual, actionable, and pervasive.

92%

% of companies projecting revenue growth of over 15% annually over the next 3 years

Immature companies:
› Standalone analytic applications.
› Data pulls on stale, partial data subsets.
› Data that is limited in scope and used at the departmental or individual user level.

45%

Base: 485 analytics and BI decision makers
Source: A commissioned study conducted by Forrester Consulting on behalf of SAP, January 2018

Hybrid And Cloud Enables Greater Use And Accessibility Of Business Insights

As companies evaluate how to improve their current analytics/BI and data processing capabilities, many see the adoption of more cloud capabilities as the logical next step. Most companies with mature analytics/BI have taken a hybrid approach for both data analytics and processing, meaning that analytics/BI is occurring both on-premises and in the cloud today. Hybrid cloud deployments provide companies with the accessibility and scalability of the cloud, while also allowing them to maintain a desired level of security with the control of specific data and applications on-premises.

Forrester's study found that companies are embracing hybrid cloud to support analytics/BI because it:
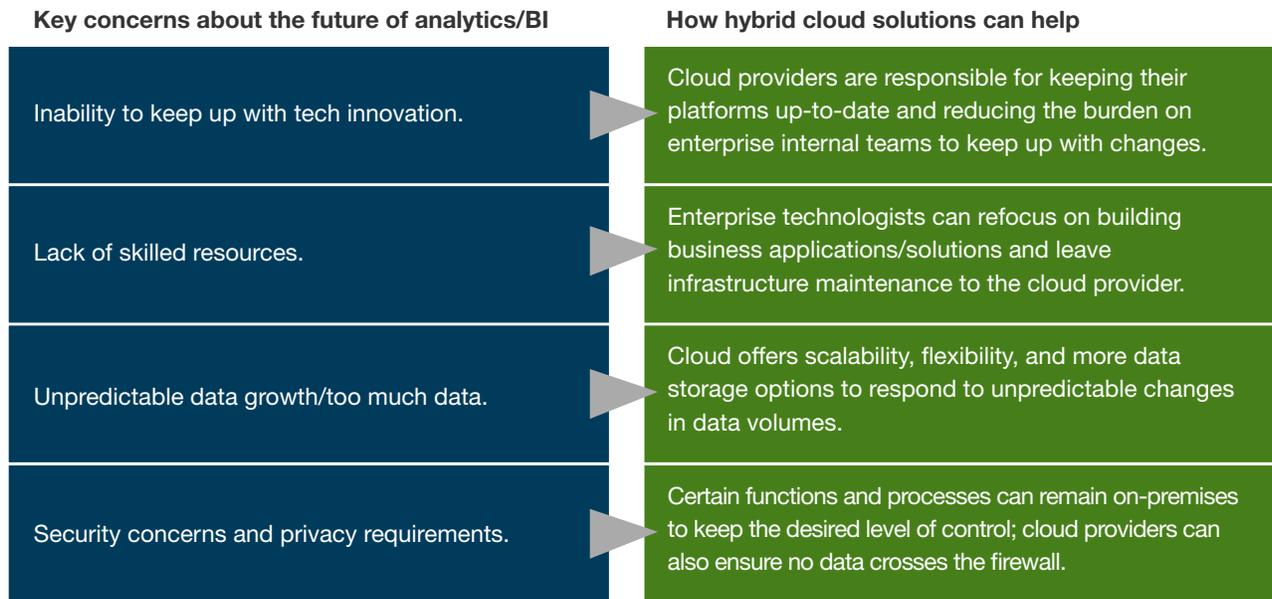
› Enables companies to put data insights to greater use for driving business improvements.

› Expands the value to analytics/BI more broadly across the enterprise.

› Allows the ability to leverage modern cloud analytics architectures (i.e., multitenancy, microservices, application containers, and others).

› Provides greater resource and pricing elasticity to meet ever changing customer and other business requirements.

Adoption of hybrid strategies can be a challenge for many businesses. However, in most cases, cloud solutions uniquely solve the challenges that businesses are most concerned about with the future of their analytics/BI (see Figure 2).

Eighty-two percent of companies agree that hybrid analytics/ BI and data processing is a critical next step in the evolution of their analytics/BI.

Seventy-one percent of companies would feel less concerned about running analytics in the cloud if they knew that no data (including query results) would ever cross the firewall.

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Figure 2

Key concerns about the future of analytics/BI	How hybrid cloud solutions can help
Inability to keep up with tech innovation.	Cloud providers are responsible for keeping their platforms up-to-date and reducing the burden on enterprise internal teams to keep up with changes.
Lack of skilled resources.	Enterprise technologists can refocus on building business applications/solutions and leave infrastructure maintenance to the cloud provider.
Unpredictable data growth/too much data.	Cloud offers scalability, flexibility, and more data storage options to respond to unpredictable changes in data volumes.
Security concerns and privacy requirements.	Certain functions and processes can remain on-premises to keep the desired level of control; cloud providers can also ensure no data crosses the firewall.

Base: 485 analytics and BI decision makers
Source: A commissioned study conducted by Forrester Consulting on behalf of SAP, January 2018

Immature To Mature Analytics/BI In Three Steps

As companies are able to alleviate the technical concerns around improving analytics/BI maturity, they must then focus on the strategy for doing so. Our survey found that companies desiring greater analytics/BI maturity should strategically focus their efforts on the following initiatives:

› **Adopting more powerful and accessible analytics/BI capabilities.** Meeting changing business needs requires tools that are easy to implement and offer architecture flexibility, yet at the same time support high security and governance standards — put simply, companies need hybrid cloud.

› **Improving analytics/BI starts by investing in new technologies (i.e., the cloud) and exploring greater use cases for it.** Hybrid cloud offers a plethora of deployment options. Some may offer higher and faster ROI than others. Choose the ones which will provide the highest business value at the lowest cost/effort/risk and then prioritize those technologies over more complex longer-term projects.

› **Increasing investment in analytics/BI.** Improving analytics/BI must become a companywide initiative to be fully effective. Companies need buy-in across the whole organization, ideally from the top-down, to drive analytics/BI investments and improvements. This will make analytics/BI more self-learning and allow for continuous improvement.

The findings of this study clearly indicate a direct correlation between higher levels of analytics/BI maturity and the overall business success as demonstrated by revenue growth. The choice for companies is clear: invest in modern technologies and capabilities to deliver effective, efficient, and pervasive BI and analytics for all decision makers, or risk falling behind competition.

Part of improving analytics maturity is about making analytics more actionable and accessible across the business.

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