

WHITE PAPER

Time to Value and ROI From BI: The QlikView Customer Experience

Sponsored by: QlikTech

Alys Woodward

Dan Vesset

October 2009

IDC OPINION

The business benefits that can be gained from higher quality decision-making are unlimited. Many organizations realize they need to give more employees faster and easier access to higher quality information — but to deliver this information remains a challenge. BI systems address this need. Arguably more than any other type of IT system, BI has the potential to improve the quality of decision-making in a way that can affect every process in the organization.

In order to manage the costs of BI systems and ensure they deliver the expected benefits, many organizations use total cost of ownership (TCO) and return on investment (ROI). The challenge is to achieve the expected business benefits for as low a TCO as possible, thereby maximizing the net benefit from the BI system. Time is also critical: the quicker organizations achieve value from their systems, the sooner business benefits obtained from those systems benefit the bottom line.

IDC conducted research into the ROI achieved by QlikView customers, and found that:

- Time to Value is critical.** Implementation timeframe was the most important element of QlikView customers' business cases. Generally QlikView customers were able to implement quickly and achieved a rapid payback period. The average implementation time was **82 days** (12 weeks), and the average payback period was **198 days** (28 weeks). Additionally, QlikView customers reduced the time to generate and access information by 51% and reduced the time to analyze information by 48%.
- QlikView customers achieved an average of **186% ROI** on BI projects to date.
- QlikView customers achieved ROI-related benefits to a broad range of business processes:
 - 31% decrease in BI system overhead
 - 30% decrease in reporting overhead
 - 16% increase in revenue
 - 20% decrease in operating costs
 - 23% increase in cash flow
 - 34% increase in employee productivity
 - 37% increase in customer satisfaction
 - 39% improvement in business agility

METHODOLOGY

The IDC analysts opinions expressed in this white paper are based on years of market research and consultations with BI technology users and vendors. This white paper also utilizes the findings from two research surveys conducted by IDC for QlikTech: 19 customer telephone interviews, and 809 customer respondents to an online survey. The survey and interviews took place between January and March 2009. See Appendix for the demographic profile of the respondent base.

Generally, gaining success with BI projects is an iterative process, as organizations learn how to make better use of technology and also learn how their organization will benefit from a fact-based approach to decision-making. Because so many organizations have challenges with their BI projects, the costs from BI can run very high. What is coming more into focus is the need for organizations to measure the total cost of ownership (TCO) of their BI projects.

TCO analysis enables organizations to identify, project, measure, and track direct and indirect costs of a BI project. Organizations often estimate a BI project's TCO during the project planning stage to ensure alignment with budgetary constraints and then track costs throughout the project to prevent or minimize cost overruns.

Customers also measure the Return on Investment (ROI) of BI. The ROI is the net of the benefits of the project minus its costs. From this it is simple to see the linkage between three factors: time, ROI and TCO. The faster the benefits are realized for a project, the higher the ROI. There is also an inverse relationship between ROI and TCO: the lower the TCO for a project, assuming the benefits remain constant, the higher the ROI.

This white paper is one of a series of four deliverables around the QlikView Customer Experience:

- ☒ **Success and Value From BI: The QlikView Customer Experience** — This paper features data and anecdotes about the customer satisfaction, ease and speed of development, and ease of use for business users of QlikView.
- ☒ **The TCO of BI: The QlikView Customer Experience** — This paper features data and anecdotes about the TCO of QlikView, relative to traditional BI approaches, categorized into software, services and hardware costs.
- ☒ **Time to Value and ROI From BI: The QlikView Customer Experience** — This paper features data and anecdotes about the ROI of QlikView, categorized into benefits from the time to value of QlikView, revenue and cash flow enhancements, operating cost reductions, productivity gains, and BI and reporting overhead reductions, as reported by customers.
- ☒ **The IDC-QlikView Customer Experience: Survey Findings** — An application developed by QlikTech to analyze the results of the joint survey can be found at <http://www.qlikview.com/value>.

IN THIS WHITE PAPER

In this white paper, IDC discusses the Time to Value and ROI of BI solutions, referencing a Web-survey and a series of in-depth interviews with QlikTech customers (see Appendix for full methodology). The white paper emphasizes the need for flexibility, power, and simplicity as key variables for ensuring adoption of a BI solution, and analyzes the experiences of a broad range of QlikView customers to understand their answers to the following key questions:

- ☒ Why are Time to Value and ROI important in solution evaluations
- ☒ What Time to Value did QlikView customers achieve
- ☒ What was the ROI achieved from QlikView
- ☒ What were the business improvements that QlikView customers achieved

SITUATION OVERVIEW

The Business Justification Of BI Projects

The benefits that are available from BI systems are potentially enormous. Arguably more than any other type of IT system, BI has the potential to improve the quality of decision-making in a way that can affect every process in the organization.

However, a key precursor to success with BI is to deliver relatively small, limited scope projects frequently (rather than try to deliver an enterprise-wide solution in one go using a "big bang" approach). There are a number of reasons for this; short delivery times mean the business requirements are less likely to have diverged from the requirements originally stated, and the business is likely to still be engaged and enthusiastic with the project, and it indicates that the software is likely to fit with the requirements. (Long drawn out design periods can indicate the opposite.)

So, although the general benefits from BI can be unlimited, the benefit of each individual BI project needs to be specifically defined. Because of keeping the scope tight, each BI project should have a defined level of business benefit that it is expected to provide. "Start small, think big" is a mantra: deliver frequent business benefits, so that users feel positive about the system and its ability to meet their requirements, and can start on the journey towards a data-driven, analytic culture.

The Importance of Time To Value And ROI

With the economic volatility and investment decision and justification process that many organizations have in place today, BI practitioners are strongly focused on the time to value dimension of ROI. They need to not only realize a positive return, but also show that return quickly.

IDC asked, "What were the top 3 components used in your business case to purchase QlikView?" Figure 1 shows the responses to this question.

By far the most important business case components were time-related (38% in total), namely implementation time (28%) and payback period (11%). We group these time-related metrics under the term "time to value" (see next section).

Quick implementation and a short payback period demonstrate that the project is succeeding in terms of generating quantifiable business benefits.

U.S.-based life sciences company: "We started the project in March 2008. At the end of May 2008 we hit a performance target that we hadn't hit since 2005. QlikView meant we could get performance improvements into effect very quickly."

James Briggs, Harboro (U.K., manufacturing): "In 2 hours we could see and analyze things that we had struggled for years to generate."

The second group of metrics were ROI-related (22% in total). Within that, 12% of respondents said ROI, 6% said IRR and 4% said NPV. This shows that there is a level of focus on financial metrics when building a business case for BI. The third group of metrics were TCO-related (20% in total). Within that, 12% said TCO, which is also financial in nature, but focused on keeping costs down rather than benefits, and 9% said risk level. And finally, 11% of respondents did not create a business case at all. Some customers talked about QlikView coming into the organization "under the radar", that is, no specific business justification was needed. This is helped by the availability of QlikView software for prototyping free of charge.

The strong focus on implementation time is good news for BI generally; it shows that organizations understand the need to deliver BI quickly. ROI is important because it ensures a focus on delivering business benefits is maintained through the project, and TCO comprises the cost element of ROI.

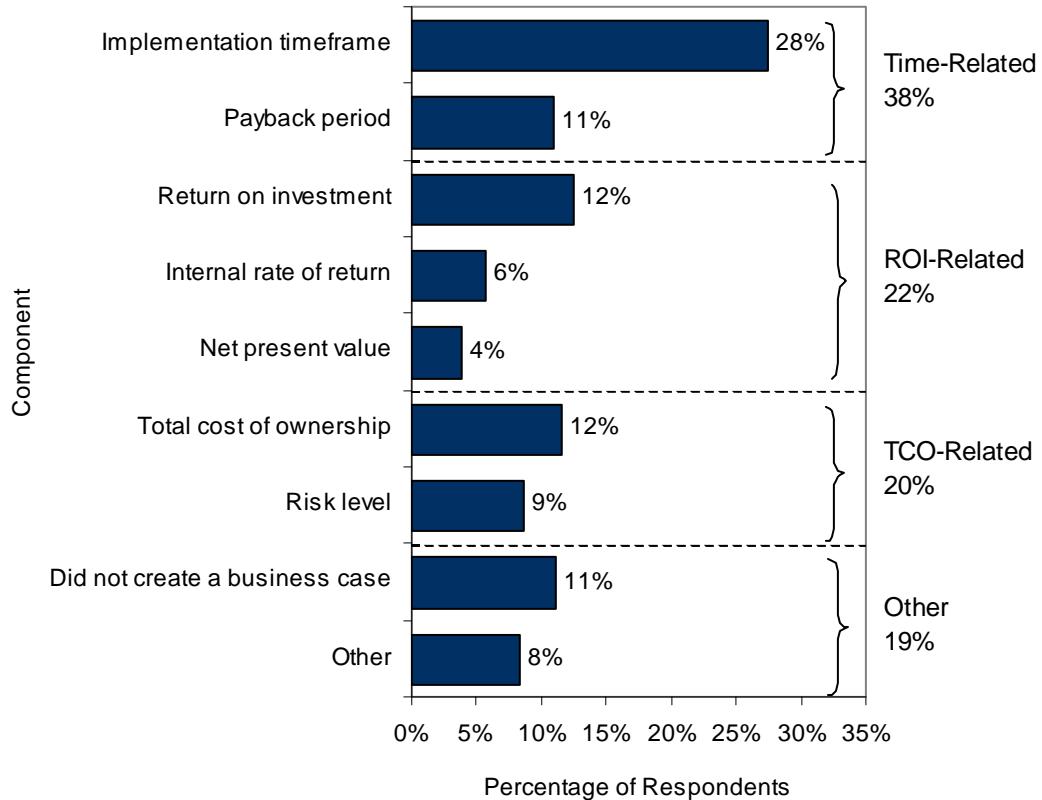
Wolfgang Grill, Heidenhain (Germany, manufacturing) said, "No real investment decision was made around QlikView. We took it and started using it, people saw how simply and quickly new applications could be built, and this is how the demand grew in the organization."

Keith Edmonds, Aon Asia (Singapore, financial services): "We calculated the difference between a traditional BI tool and QlikView, just for the front end (excluding any data warehouse). QlikView was cheaper by a factor of 5."

FIGURE 1

Components Of The QlikView Business Case

Q: What were the top 3 components used in your business case to purchase QlikView?



Note: 542 total respondents

Source: IDC survey of QlikView customer base, Jan-Mar 2009

Time to Value

Definitions of Time-Related Metrics for BI Systems

We use the term **time to value** as an umbrella term for the time-related metrics that are important in measuring BI projects. These are the implementation time, the time to generate and access information, the time to analyze information, and the payback period.

The **implementation time** is the length of time from purchase to when the system is deployed to users.

The **time to generate and access information** is the time from loading data to when the information is presented to the end user.

The **time to analyze information** is the time for an end user to receive information, and process that information in order to use it to make a decision. Ideally this processing can be done directly from the information when it is received, but when a BI system presents a less than ideal interface the information may need further processing.

The **payback period** is the length of time from the initial date of purchase to the date the cost of the BI system investment is recovered.

Time to Value Achieved With QlikView

In building a business case, 28% and 11% of QlikView customers used projected implementation times and payback periods to support an investment. These were forward-looking projections, but the survey base realized time-to-value measures were quite compelling and substantiated their use in the business case. Figure 2 highlights QlikView customers' experiences around these two measures. QlikView's average implementation time was **82 days**, or **12 weeks**, and the average payback period was **198 days**, or **28 weeks**. 44% of respondents had an implementation time of less than 31 days, and 77% had implemented in three months or less. Additionally, 30% of respondents had achieved a payback in three months or less. Figure 2 shows the implementation and payback timescales that QlikView customers achieved.

A quick implementation time is a key success factor in the success of BI deployments. Rapid prototyping seems to be the only effective method to match IT development plans with frequently changing end-user requirements. The quicker the initial development cycles, the more likely it is that the business requirement that was requested is still current and that the strategy and tactics of the organization have not changed to render the requirement obsolete.

U.S.-based life sciences company: "We started the project in March 2008. At the end of May 2008 we hit a performance target that we hadn't hit since 2005. QlikView meant we could get performance improvements into effect very quickly."

Quick payback period shows that BI does not have to be a bottomless pit into which organizations throw money for some nebulous future benefits. It keeps the BI team focused on delivering business benefits that can be quantified.

QlikView software is made available to organizations to prototype, which increases the time to value because developers can build part if not all of an application while refining the requirements. This gives a twofold advantage to customers of helping business users understand the benefits that QlikView can provide before any purchase has been made, and also proving to the developer that the reporting requirement can in fact be met, thereby reducing risk that some time down the line they will realize the tool can not handle the requirements.

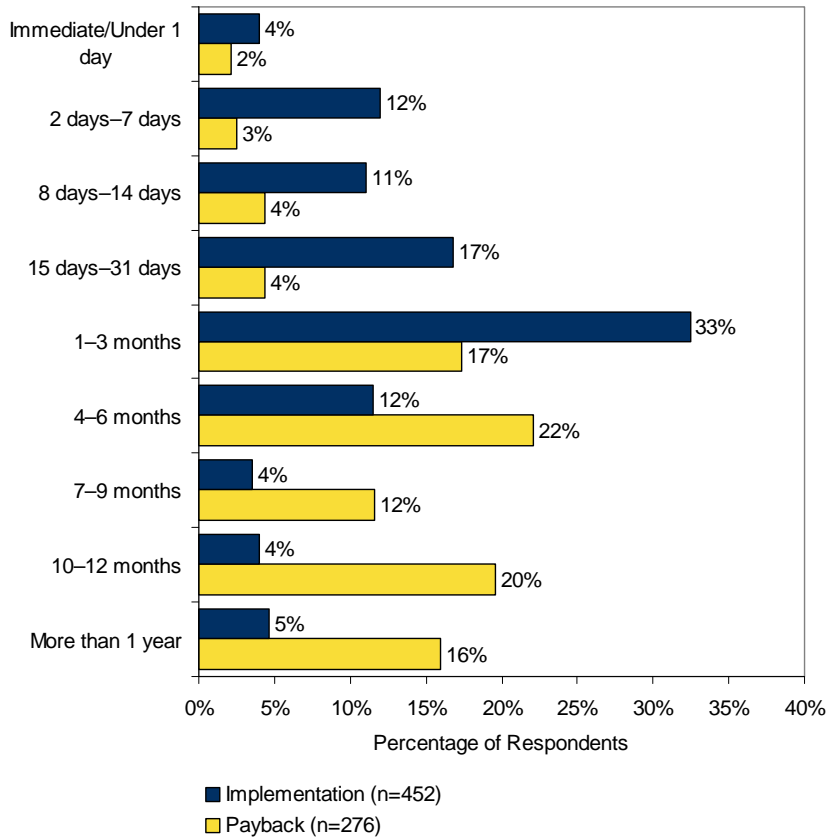
European media company: "We have a lot of time savings. One report used to take between 30 and 90 minutes to run, in QlikView it's ten seconds."

A German manufacturing company: "In the new economic situation, you have to be faster and more flexible when providing information — you can't take three years to provide details. If the business says some information is critical to developing the business or to be competitive, then you need to get it."

FIGURE 2

QlikView Timescales for Implementation and Payback

Q: *How long did it take from the initial purchase of the software to complete implementation and achieve payback with QlikView?*



Source: IDC survey of QlikView customer base, Jan–Mar 2009

In addition to implementation and payback, time to value affects other elements of a BI system. Figure 3 shows two time-to-value metrics for QlikView customers: the change in the time taken to generate and access information, and the change in the time taken to analyze information.

The time taken to generate and access information is defined as the time from loading data to when the information is presented to the end user. This is the time through the system. Replacing manual, fragmented or cumbersome BI systems with more efficient ones can speed up this throughput in a number of ways: quicker data loading, less need for complex transformations, or an easier way to deploy information out to users. The average change in time taken to generate and access information was a reduction of 51%.

The time taken to analyze information is defined as the time from when the user receives the information to when the user has understood it sufficiently to use it to make a decision. A reduction in time could imply that customers found the QlikView

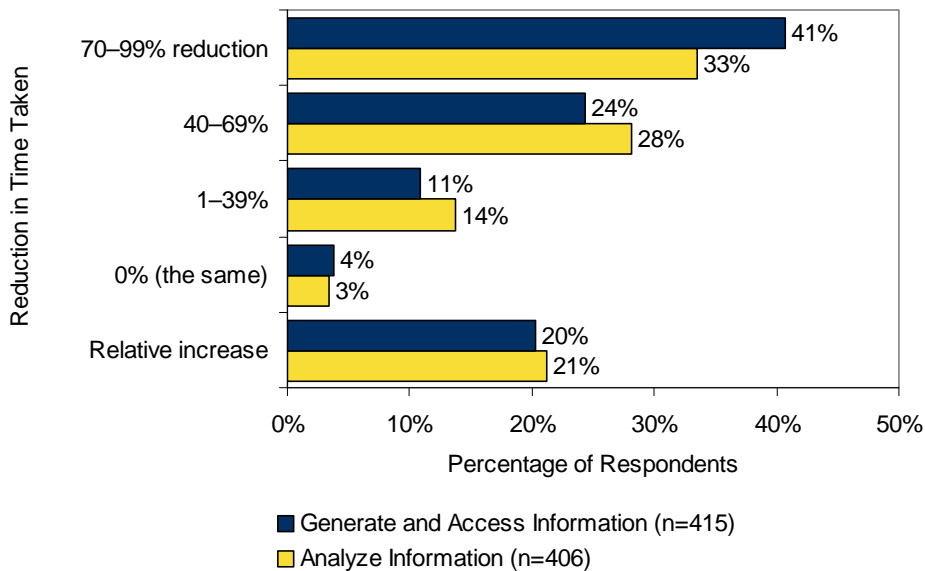
interface easier to understand, or easier to navigate. The average change in time taken to analyze information was a reduction of 48%.

This demonstrates that reducing implementation is only the first step to speeding up the time to value of BI. The usage of the system can also be made faster. When users can access, generate, and analyze information more quickly and easily, they can more quickly drive value for the company — which in turn will drive a rapid payback period. Each of these time elements are inextricably linked.

FIGURE 3

Change in Time Taken to Generate and Access, and Analyze Information

Q: *How did QlikView change the time for end users to generate and access, and analyze information?*



Source: IDC survey of QlikView customer base, Jan–Mar 2009

Return on Investment

Definition of ROI for BI Systems

IDC defines return on investment (ROI) as the financial benefits minus financial costs or TCO of the system.

The key element of calculating ROI is to include as many of the benefits that are achieved by the system as possible. IDC classifies the benefits obtained that contribute to ROI into four types:

- ☒ **BI system and manual reporting overhead reductions.** Where organizations already have a BI system, naturally it has an overhead cost. The **BI system overhead** is the amount of resources taken up with providing the BI infrastructure, data, and end-user facing capabilities. These resources can be defined in terms of money, system, and/or human resources. The human

resource element we call the **manual reporting overhead**. This is the time taken by individuals to provide reports to end users, that is, the human element. Sometimes these individuals will be part of the IT organization, making the BI system ready or running and manipulating reports, while in other cases they will be part of the business. Both types of overhead can be reduced by removing human intervention from the process of extracting information for analysis and reporting purposes and presenting it to an end user in a digestible format, by either complementing or replacing the original BI system.

- ☒ **Revenue and cash flow enhancements.** Situations where the use of the system has resulted in financial benefits, for example increased revenue, improved cash flow, or improved profitability. This could be achieved through strategic initiatives such as entry into new markets or branching out into new product categories, or process refinements such as product availability or profitability management.
- ☒ **Operating cost reductions.** Situations where the system has enabled the customer organization to reduce costs, for example by reducing operating costs associated with inventory reductions, reduced manufacturing waste, or streamlined customer delivery logistics.
- ☒ **Productivity gains.** Situations where the company has gained in efficiency in a way that can be expected to affect the company's bottom line, for example improved employee productivity, improved customer satisfaction or increased business agility.

ROI Achieved With QlikView

The next question to all respondents was, "Did you measure the ROI of your QlikView system?" Respondents who answered, "Yes" were then asked, "What ROI did your QlikView project achieve?"

The average ROI achieved by QlikView projects was **186%**. This means that, at the time of responding to the survey, customers had achieved benefits worth 1.86 times the original cost of the system. Respondents were drawn from a spread of new and established QlikTech customers, with varying time periods since acquisition and implementation.

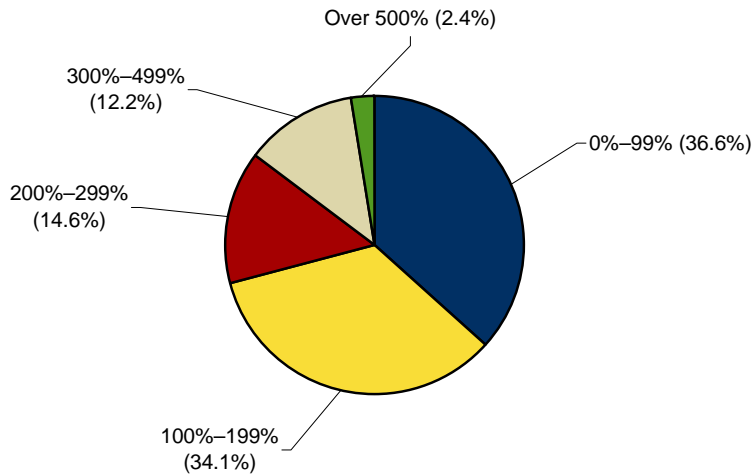
As has been highlighted, a fraction of customers actually used ROI for a business case and in turn have then taken the next step in recording an actual ROI from their BI initiative. However, customers are often aware of quantifiable improvements to the business after the implementation of the BI system, even if they have not measured or do not wish to share the actual ROI of the system. Respondents can also be wary of the competitive angle of disclosing ROI achieved from a system that is delivering a competitive edge.

Figure 4 gives responses to the question "What ROI did your QlikView project achieve?"

FIGURE 4

ROI Achieved With QlikView

Q: *What ROI did your QlikView project achieve?*



Note: n=41

Source: IDC survey of QlikView customer base, Jan–Mar 2009

Components of ROI

What Are the Important Elements of ROI?

When asking companies about ROI by component, the first step was to obtain a list of components that respondents considered relevant to ROI calculations. Figure 5 shows these elements.

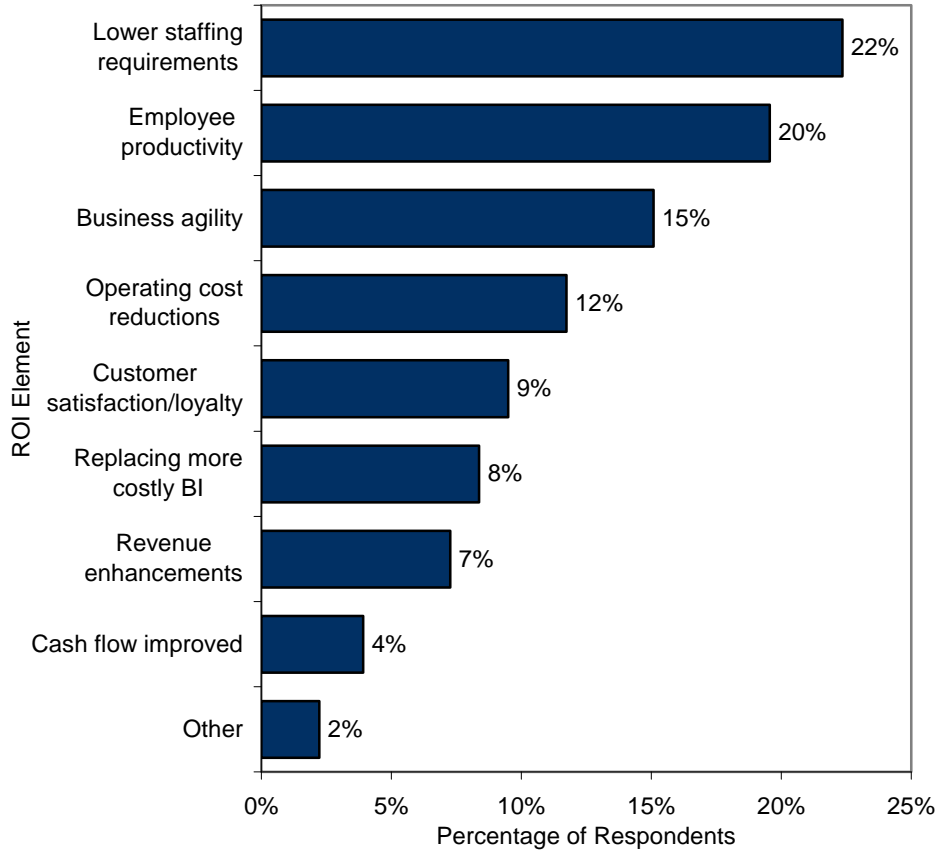
The top two responses related to staffing concerns, such as lower staffing requirements to manage reporting and improved employee productivity. This indicates that organizations generally understand the need for information and are keen to supply it, but also realize that they are taking too much time to produce this information using manual methods. Lower employee requirements relates to cost avoidance, while improved employee productivity relates to efficiency gains.

In third place, 15% of respondents stated business agility, which IDC defines as "the ability of a business to adapt rapidly and cost efficiently in response to changes in the business environment," as a key component of ROI. BI is not equivalent to business agility, but it is a vital precursor — in order for an organization to be able to change its strategy, products or services, it needs to have information about how its existing strategy, products, or services are performing in the market. It also needs to be able to monitor the effects on changes in any of these elements on the key metrics of the business to ensure any changes in strategy are achieving the desired effect, and that there are no unanticipated, negative effects.

FIGURE 5

Components Of ROI

Q: *What components did you measure or consider part of ROI?*



Note: n=67

Source: IDC survey of QlikView customer base, Jan-Mar 2009

ROI From QlikView By Component

This section looks at ROI gained from QlikView systems by element of ROI. As described above, these are: BI and Reporting overhead reductions, revenue and cash flow enhancements, operating cost reductions, and productivity gains.

In a volatile economy, improvements in any of these areas provide significant value to a business.

BI and Reporting Overhead Reductions

There are various overheads incurred by BI systems. The overall overhead we call the **BI overhead**, and the element of the BI overhead that relates to the employees involved in providing information to the business we call the **reporting overhead**.

BI System Overhead Reduction

The **BI system overhead** is the amount of resources taken up with providing the BI infrastructure, data and end-user facing capabilities. These resources can be defined in terms of money, human resources, and/or system resources.

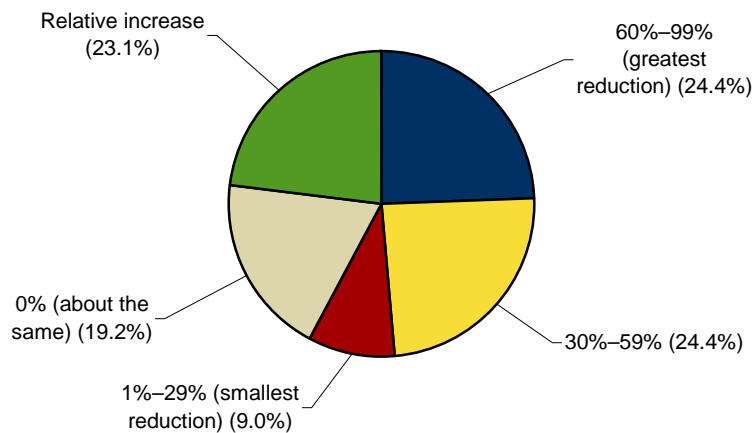
Reducing the BI overhead pays multiple dividends. It frees up budget, human resources and system resources to either contribute to other areas of the business, or be used for further BI initiatives. Usually, BI systems are built one project at a time, and there is always a list of future initiatives that have been requested by the business. Freeing up budget can move these initiatives from the wish list to the project plan.

IDC asked "After implementing QlikView, what was the percent reduction in the annual cost for the complementary or replaced BI system?". Figure 6 shows the results. The average reduction in costs for customers who implemented QlikView to complement or replace an existing system was **31%**.

FIGURE 6

Reduction in Annual Cost for Complementary/Replaced BI System

Q: After implementing QlikView, what was the percent reduction in the annual cost for the complementary or replaced BI system?



Note: n=78

Source: IDC survey of QlikView customer base, Jan–Mar 2009

Manual Reporting Overhead Reduction

The **manual reporting overhead** is the time taken by individuals to provide reports to end users. Sometimes these individuals will be part of the IT organization, making the BI system ready or running and manipulating reports, while in other cases they will be part of the business. In Figure 5, respondents said that reducing the number of staff generating reports was the most important element of ROI. To evaluate the reporting overhead, we asked respondents how many employees were handling reporting prior to the QlikView implementation, and how that changed after the implementation.

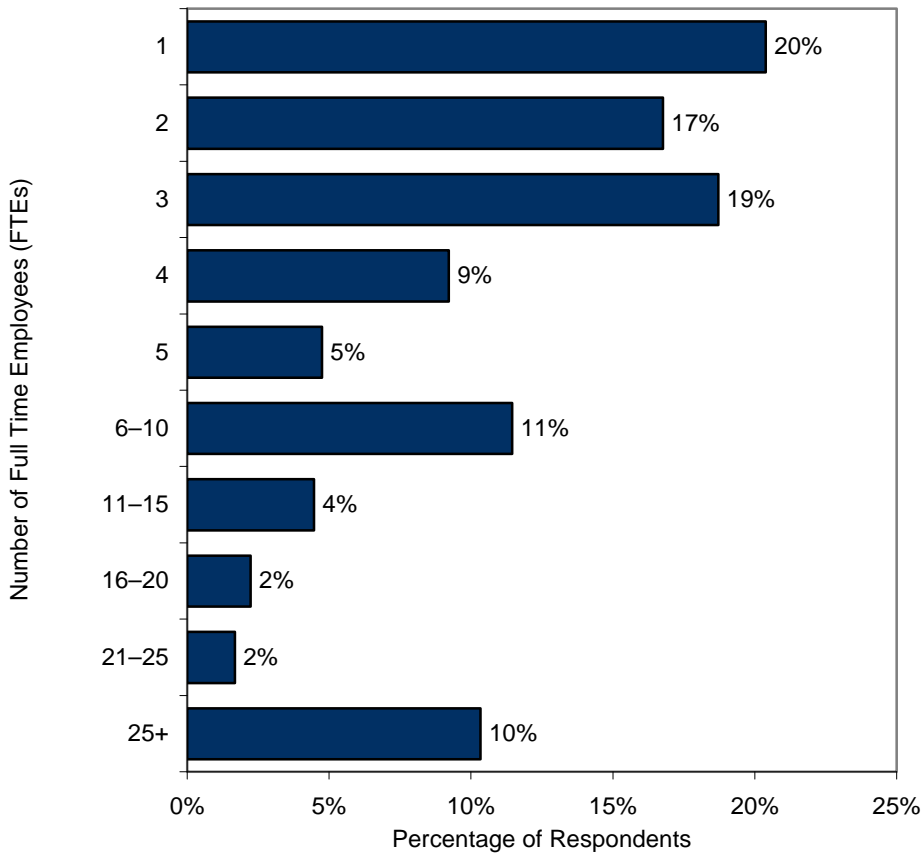
Figure 7 shows the number of full time equivalent (FTE) employees who were handling reporting prior to the QlikView implementation, and Figure 8 shows the reduction in this headcount after the QlikView implementation.

The average number of full time employees involved in producing reports was **6.6 FTEs**. 58% of respondents reported a reduction in headcount of the BI system when QlikView was implemented, 37% said headcount remained about the same, and 5% said there was a relative increase in headcount. The average cost reduction for customers was a 30% reduction in reporting overhead. On average, this reduces the 6.6 employees down to **4.6 FTEs**.

FIGURE 7

Number of Employees Involved in Reporting

Q: How many full time equivalent (FTE) employees, whether IT or business, were handling reporting prior to QlikView?



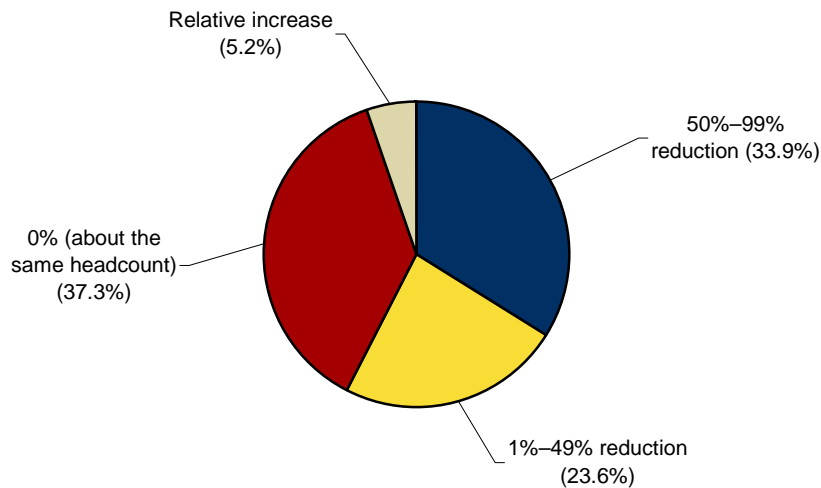
Note: n=358

Source: IDC survey of QlikView customer base, Jan-Mar 2009

FIGURE 8

Change in Headcount After Implementing QlikView

Q: After implementing QlikView, what was the change in headcount (FTE) by reducing the effort needed to produce reports?



Note: n=271

Source: IDC survey of QlikView customer base, Jan-Mar 2009

Revenue and Cash Flow Enhancements

Revenue

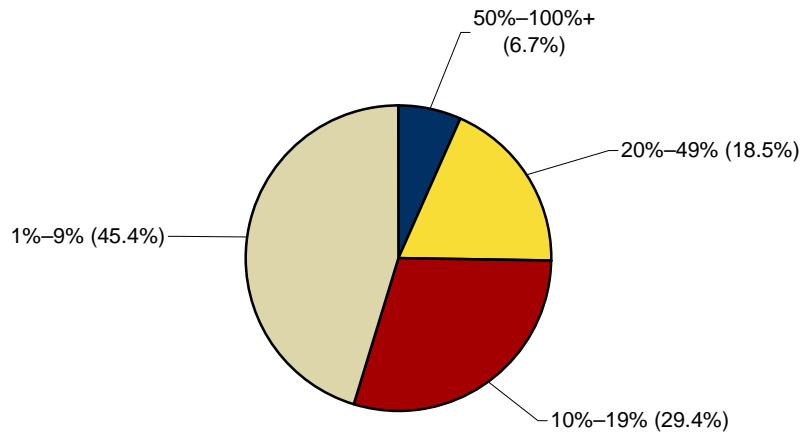
BI can help give a detailed picture of how an organization generates revenue, and can then monitor any changes made in order to analyze information on the effects of activities on the revenue stream. An example is raising prices, and then reviewing to see if the reduction in sales counteracts the increased revenue per sale. The average increase in revenue from QlikView was **16%**.

Figures 9 and 10 show the level of increase in revenue that respondents found and the underlying processes that were impacted. A broad range of processes was impacted, demonstrating the wide application of QlikView and BI in general. The most frequently impacted area was profitability management, which **28%** of respondents cited.

FIGURE 9

Increase in Revenue After QlikView

Q: *What was the increase in revenue after the QlikView implementation (where an increase was reported)?*



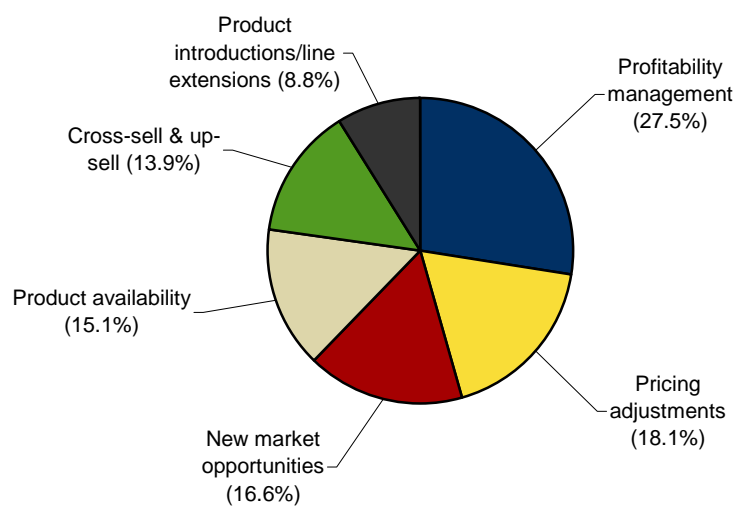
Note: n=119

Source: IDC survey of QlikView customer base, Jan–Mar 2009

FIGURE 10

Areas Impacted by QlikView (Increased Revenue)

Q: *What areas or processes did QlikView impact (increased revenue)?*



Note: n=476

Source: IDC survey of QlikView customer base, Jan–Mar 2009

Cash Flow

Improving cash flow is highly beneficial to the financial health of an organization. A BI system can deliver insight into the cash position. Cash improvements can come from improved working capital management, whether extending accounts payables, reducing accounts receivables, or reducing inventory on hand. The average improvement in cash flow reported by respondents was **23%**.

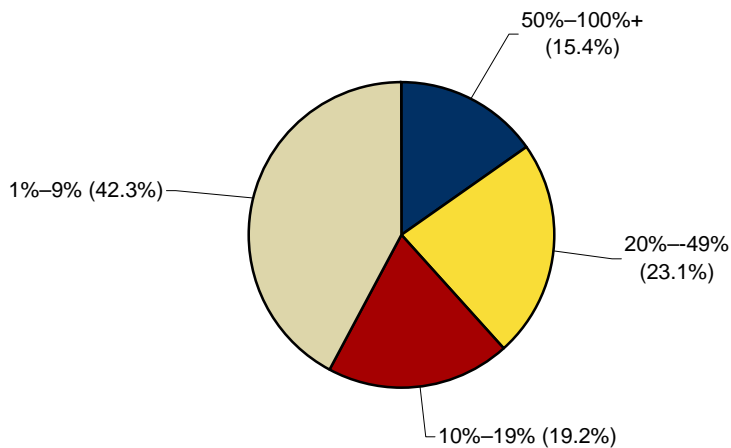
The area of cash flow that most frequently achieved improvements after QlikView was implemented was accounts receivables collections. A good example is Bring Frigoscandia, which achieved this by using QlikView to integrate sales ledger data with CRM data.

Ulf Carlsson, Bring Frigoscandia (consumer products, retail and distribution, Sweden): "We used QlikView to look closely at our customer data and clean it up. Then we looked at the open invoices from the sales ledger, which, with clean customer data, gives us total control over what the customer owes. Then we compared the sales people by outstanding balance [and gave them some ownership of collections]. This changed our cash flow dramatically."

FIGURE 11

Cash Flow Improvement After QlikView

Q: *What was the improvement in cash flow after the QlikView implementation (where a cash flow improvement was reported)?*



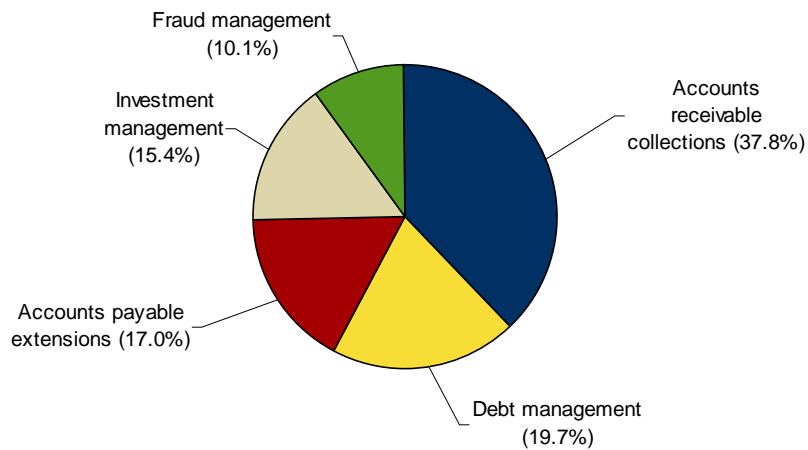
Note: n=104

Source: IDC survey of QlikView customer base, Jan–Mar 2009

FIGURE 12

Areas Impacted by QlikView (Improved Cash Flow)

Q: *What areas or processes did QlikView impact (Improved cash flow)?*



Note: n=188

Source: IDC survey of QlikView customer base, Jan-Mar 2009

Operating Cost Reductions

Reduced Operating Costs as a Benefit of QlikView

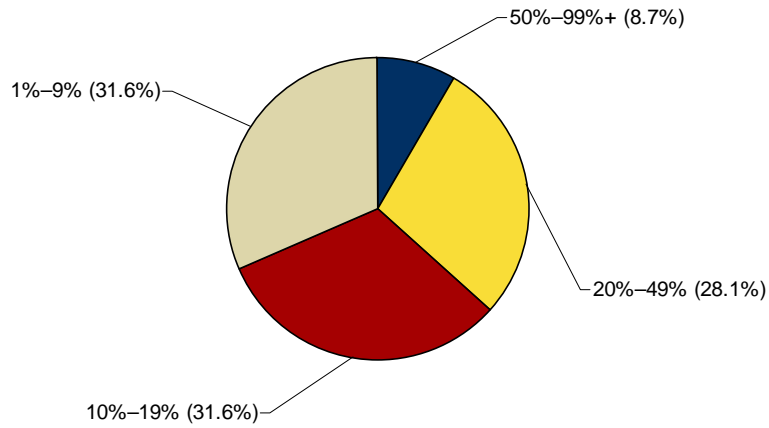
In a volatile economy, a system that can reduce operating costs is highly valuable to an organization. BI systems can expose areas where costs are surprisingly high, and provide information to drive insight into where cost cuts can be made. The average reduction in operating costs was **20%**, and the most popular area for cost reduction was in inventory management and forecasting (**40%**).

Figure 13 shows the reductions in operating costs that respondents achieved.

FIGURE 13

Operating Cost Reductions After QlikView

Q: *What was the reduction in operating costs after the QlikView implementation (where a reduction in operating costs was reported)?*



Note: n=196

Source: IDC, 2009

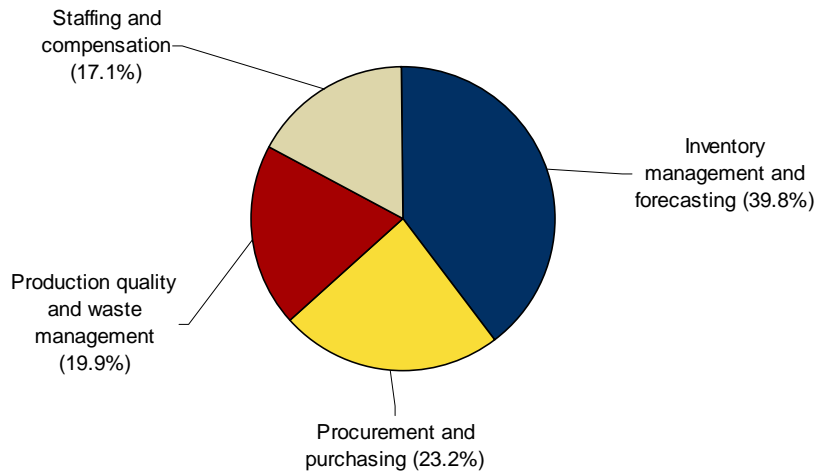
Areas Impacted by QlikView — Reduced Operating Costs

Figure 14 shows the areas and processes where QlikView customers used their BI system to reduce operating costs.

FIGURE 14

Areas Impacted by QlikView (Reduced Operating Costs)

Q: *What areas or processes did QlikView impact (reduced operating costs)?*



Note: n=327

Source: IDC survey of QlikView customer base, Jan-Mar 2009

Productivity Gains

Improved Employee Productivity

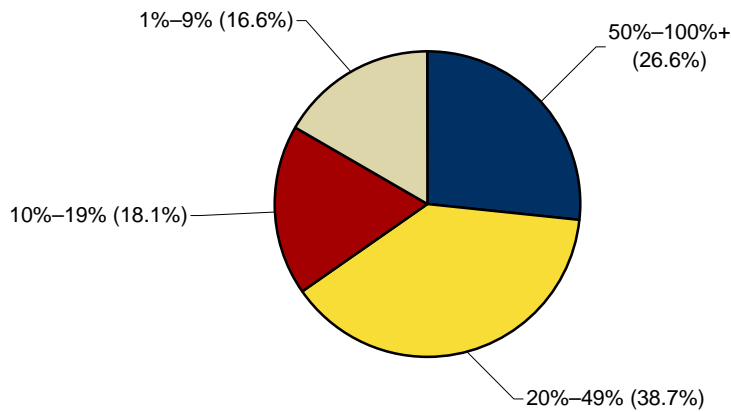
Improving employee productivity has direct benefits that relate to greater efficiency, and indirect benefits that relate to reduced employee turnover and reduced recruitment and training costs. When employees have access to a BI system that provides the right information, they can focus their efforts on activities that relate to their core function and expertise, instead of spending time trying to access and extract data manually. The average change in employee productivity after QlikView was implemented was an improvement of **34%**.

Figure 15 shows the change in employee productivity that respondents observed after the QlikView system.

FIGURE 15

Improvements in Employee Productivity After QlikView

Q: *What was the increase in employee productivity after the QlikView implementation (where an increase was reported)?*



Note: n=331

Source: IDC, 2009

Customer Satisfaction

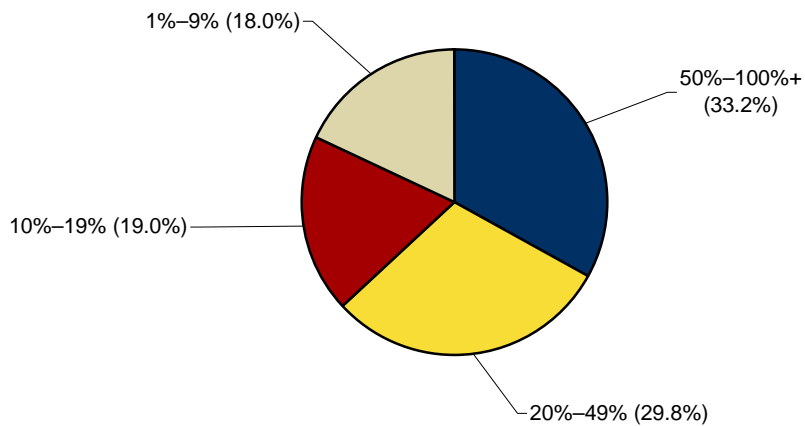
Improving customer satisfaction is a positive indicator for business growth. The challenge for organizations is to improve customer satisfaction in a way that corresponds to improved revenue and profitability. A BI system can help aggregate the results from various measurements of customer satisfaction, and monitor both the correlation between customer satisfaction and the bottom line of the business, and also how changes in strategy and tactics affect customer satisfaction, to ensure that improvements occur and are not offset by unexpected reductions.

The average improvement in customer satisfaction after the QlikView system was **37%**. Figure 16 shows the change in customer satisfaction that came about after the QlikView system.

FIGURE 16

Increase in Customer Satisfaction After QlikView

Q: *What was the increase in customer satisfaction after the QlikView implementation (where an increase was reported)?*



Note: n=244

Source: IDC survey of QlikView customer base, Jan-Mar 2009

Improved Business Agility

Business agility refers to the ability of a business to change its operations in order to reflect differences in internal or external conditions.

BI is not equivalent to business agility, but it is a vital enabler. In order for an organization to be able to change its strategy, products or services in such a way that the effects can be predicted accurately, it needs to have information about how its existing strategy, products or services are performing in the market. It also needs to be able to monitor the effects on changes in any of these elements on the key metrics of the business to ensure any changes in strategy are achieving the desired effect, and that there are no unanticipated, negative effects.

We are measuring whether business agility was perceived to have changed after QlikView and, if so, by how much. Figure 17 shows the effect of the QlikView system on business agility. The average improvement in business agility achieved by QlikView customers was **39%**.

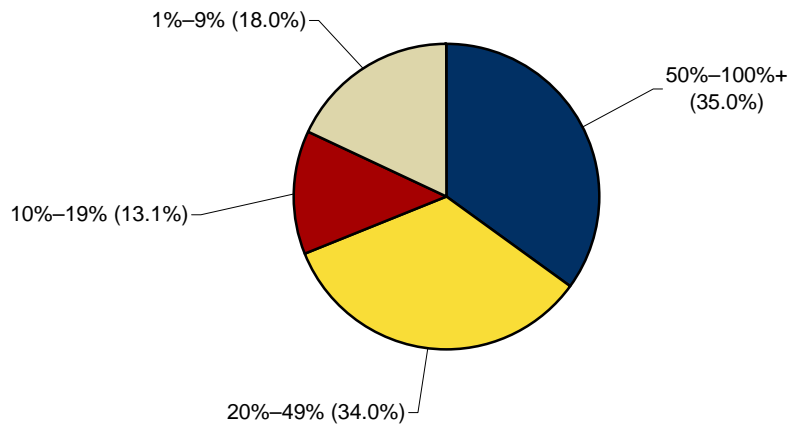
A key element of business agility is the ability to obtain information quickly, in order to assess a current actual or potential situation and decide on the appropriate course of action.

A European media company: "Before QlikView, we had to ask a certain analyst to send a request to the data warehouse, it took a day to get the results we wanted. Now we have the data there instantly."

FIGURE 17

Increased Business Agility After QlikView

Q: *What was the increase in business agility after the QlikView implementation (where an increase was reported)?*



Note: n=306

Source: IDC survey of QlikView customer base, Jan–Mar 2009

CHALLENGES AND OPPORTUNITIES FOR QLIKTECH

Challenges

- ☒ A key challenge for QlikTech, as a relatively small player, is that it is in competition with the newly consolidated software giants with their broad technology portfolios.
- ☒ Another challenge for QlikTech is to ensure that it is not viewed as a propagator of individual decision support tools that are outside the support structure of IT groups. If QlikTech deployments follow this route, they may fall under the same criticism that we laid out against stand-alone spreadsheets. Although support for individual decision support is important, it is only one of the factors in an organization-wide BI strategy.

Opportunities

- ☒ The economic downturn is both a challenge and an opportunity for QlikTech. On the one hand, IDC research indicates that organizations are more likely to spend with brands they know and trust. This may benefit the larger traditional BI players. On the other hand, IDC research also indicates that organizations are focusing on more tactical projects, with lower upfront spend and quicker business benefits. This plays directly to QlikTech's core strengths of a quick demonstration of business benefits. That QlikView customers achieve an average of **186% ROI** and a typical implementation time of **82 days** is a great message to the market in the challenging economic climate.
- ☒ QlikView customers achieved ROI-related benefits in a broad range of areas across their businesses: improvements in cash flow-related areas such as accounts receivable collections, reduced operating costs in areas like inventory management and forecasting, and improved business agility. This puts QlikView in a strong position to demonstrate and prove the benefits of its software.

CONCLUSION

In today's volatile economy, organizations have been increasingly focused on tactical, quick-win technology projects at the expense of large strategic projects. The impact of technology projects on the top and bottom line of the organization is increasingly under scrutiny. The purpose of ROI is to provide a financial metric with which to measure such projects and provide a like-for-like comparison between initiatives that may have very different justifications and business benefits.

IDC's research into the ROI experiences of QlikView customers indicated that:

- ☒ **Time to Value is critical.** Implementation timeframe was the most important element of QlikView customers' business cases. Generally QlikView customers were able to implement quickly and achieved a quick payback period. The average implementation time was **82 days** (12 weeks), and the average payback period was **198 days** (28 weeks).
- ☒ QlikView customers achieved a weighted average of **186% ROI** on their BI projects.
- ☒ QlikView customers achieved ROI-related benefits to a broad range of business processes:
 - ☐ 31% decrease in BI overhead
 - ☐ 30% decrease in reporting overhead
 - ☐ 16% increase in revenue
 - ☐ 20% decrease in operating costs
 - ☐ 23% increase in cash flow
 - ☐ 34% increase in employee productivity
 - ☐ 37% increase in customer satisfaction
 - ☐ 39% improvement in business agility

APPENDIX

The Survey

The IDC survey was deployed for twelve weeks during the first quarter of 2009, in 9 languages worldwide. The survey resulted in 809 responses. The organizations and survey respondent characteristics include:

- Region: Americas (27%), EMEA (70%), and Asia Pacific (3%).
- Industry: Consumer products, retail & distribution (38%), manufacturing (28%), financial services (9%), public sector (9%), infrastructure services (7%), life sciences (5%), and healthcare (4%).
- Organization size based on the number of employees: Fewer than 20 (6%), 20–499 (34%), 500–999 (12%), 1,000–9,999 (25%), and 10,000 or more (23%).
- Individual respondents profile:
 - Senior management (23%), middle management (30%), and staff (47%).
 - Line of business (38%) and IT (62%).

Calculations

TABLE 1

Weighted Average Calculation

	Median Value of Range used in Calculation
Percentage Range	
1%–9%	5.0
10%–19%	14.5
20%–29%	24.5
30%–39%	34.5
40%–49%	44.5
50%–59%	54.5
60%–69%	64.5
70%–79%	74.5
80%–89%	84.5
90%–99%	94.5
100% (about the same)	100.0
100%+	100.0
Percentage Improvement Range	
0%–99%	49.5
100%–199%	149.5
200%–299%	249.5
300%–399%	349.5
400%–499%	449.5
500%–749%	624.5
750%–999%	874.5
1,000%–1,499%	1,249.5
1,500%+ (highest ROI)	1,500.0
Time Period	
Immediate/Under 1 day	1
2 days–7 days	4.5
8 days–14 days	11
15 days–31 days	23
1–3 months	61
4–6 months	152.5
7–9 months	244
10–12 months	335.5
More than 1 year	365

Source: IDC, 2009

Copyright Notice

External Publication of IDC Information and Data — Any IDC information that is to be used in advertising, press releases, or promotional materials requires prior written approval from the appropriate IDC Vice President or Country Manager. A draft of the proposed document should accompany any such request. IDC reserves the right to deny approval of external usage for any reason.

Copyright 2009 IDC. Reproduction without written permission is completely forbidden.