Sentiment Continues to Climb Among Users as BI Tools Migrate to Cloud

Executive Summary
Dresner Advisory Services' eighth annual Cloud Computing and Business Intelligence Market Study in 2019 shows user confidence at an all-time high, with cloud offerings outnumbering traditional on-premises offerings.

Sentiment toward cloud and cloud BI turned sharply positive in 2018, with current and future user plans both trending up. Results from our 2019 Dresner Advisory Services New Year User Survey reinforced those findings with ongoing momentum. Sentiment is at an all-time high, and the majority of organizations—51 percent—use cloud BI in 2019.

Cloud-based BI vendor products and services are now more plentiful than traditional on-premises products. Still, vendors support any deployment option the customer chooses: public, private, or hybrid, at multiple levels of scale and price. Customers benefit from these choices, which reduce the chance for vendor lock-in.

Users have not settled on deployment models but are migrating toward subscription and the adoption of managed services. Our long-term data affirms growing acceptance of public (multitenant) cloud, which we expect will continue. In 2019, however, the stronger positive sentiment is toward private cloud BI deployment.

Recommendations
1. Assess current resource and budget commitments against operational, revenue, and competitive goals for BI technologies and initiatives that reach beyond the BI analyst audience. Sales and marketing are obvious early opportunities, but solutions are also ready to address analysis needs for other core functions such as supply chain, procurement, or warranty management.

2. Identify current initiatives under management that carry overhead or resource cost and could be improved by third-party services. Evaluate product capabilities and license options for better value and new opportunities. Cloud creates a previously unavailable cost-effective entry point for piloting new areas of BI investment such as big data and on-demand analytics services.
3. Identify related essential but non-competitive data competencies (such as hosting, maintenance, administration, and security) that are more efficiently fulfilled by third parties. Third-party services are increasingly granular with process and/or discrete departmental focus and low cost of entry that typically includes free downloads, instruction, and testing.

**Landscape**

Of the many disruptions to people, process, and technology, no drumbeat has been more constant than the offloading of non-core resources and processes to third parties in the name of better efficiency at lower cost and reduced risk. For consumers, it's pretty much a fait accompli as necessities such as email, calendars, contacts, documents, social media histories—even whole operating systems—are often held off premises and maintained via an application gateway to personal data.

Businesses historically faced a much different landscape of voluminous operational, transactional, and other data that was variously integrated, cross-tabulated, and secured in house for a variety of purposes. The greatest barrier to cloud and services was always the instinct to keep data in house under lock and key. As one practitioner weighed in on a recent #BIWisdom tweetchat:

“It always (or should always) comes down to security and having to trust a third-party vendor.”

But, more often than not, the subsequent question is likely to be, “Who’s best equipped to fulfill that?” It’s no surprise that the consumer clamor for utility and simplicity gains similar traction and momentum in the enterprise, and not for the first time. Just as corporations once closed their travel agencies and time-and-expense departments and brought sales, marketing and HR productivity to and through third-party channels, cloud-based BI applications are now an arguably sensible front end to hosted or managed data and infrastructure. This is coming true for most non-core, non-competitive competencies as a matter of expediency in an equation driven by risk, resources, and time to market. Another enterprise practitioner summed up the spirit of the times in a #BIWisdom tweetchat:

“We have a large footprint of legacy on-premises BI. That isn’t going anywhere. [But] new cases look at cloud first, and that applies to everything, not just BI.”
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Our evidence supports this finding with hard numbers. Dresner Advisory Services’ eighth annual Cloud Computing and Business Intelligence Market Study uncovers ongoing positive sentiment in 2019 for companies entering or expanding their footprint in cloud computing.

The study also finds that industry-provided deployment, management, and service options—from proprietary to fully hosted, on site or off—are broader than ever. Beginning in 2018, cloud-based BI-related technologies and initiatives outnumbered traditional on-premises deployment choices. To reiterate, nearly all industry participants in our study offer pure cloud-based administration and design, and all these options come at a variety of price points and entry levels.

Since cloud computing is a delivery option more than it is a competitive technology, as users turn to business-driven IT scenarios, vendor focus has turned to compatibility, interoperability, and features and services to ease the old burdens of deployment, administration, integration, and security. All these events serve to make the current environment an opportunity to evaluate legacy infrastructure strategies for cost and efficiency and seek new growth and revenue opportunities. Organizations consider the primary barrier to cloud BI deployment, data security, less of an inhibiting factor in 2019.

**Sentiment Breaks Out**

In 2018, user estimations of the importance of cloud computing broke out from a six-year trend line to a new weighted mean high of 3.2, or above the level of "important" to more than 70 percent of all users. In 2019, that level of importance rose further to a weighted mean high of 3.3.
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Current and Future Plans for Cloud Business Intelligence

As was the case with user importance, current use and future plans for deploying cloud BI increased sharply in 2018. The percentage of respondents using cloud BI in 2018 nearly doubled the 25 percent of users in 2016. In 2019, current use rises above 50 percent for the first time.
At the other end of the spectrum, the percentage of respondents with no plans to use cloud BI fell by half from 2016-2017 to 2018-2019. An all-time low number of organizations (18 percent) report no plans to use cloud BI in 2019.

Although awareness of cloud BI grew across the eight years of our study, 2018 was the jumping-off point for cloud BI first approaching and then crossing the turning point of adoption by the majority of organizations.

**BI Platforms Move to the Cloud**

Beginning in 2018, cloud-based BI offerings began to outnumber on-premises deployment options. In 2019, the gap between support for cloud and on-premises (traditional) BI grew wider.
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To be clear, traditional BI deployments are not going away anytime soon—if ever—and organizations still prefer private clouds to the fully hosted software model. But slowly and inexorably, cloud platforms and discrete services are taking root to address literally every aspect of BI technologies and initiatives analyzed by Dresner Advisory Services.

**Deployments by Type**
Public, private, and hybrid cloud deployments are all in demand in 2019. But private is resurfacing as the preferred deployment model for cloud BI.

While we consider “public” cloud to refer to multitenant architectures, users often apply their own criteria, and organizations find these deployment types flexible to the point of definition. “Private” clouds may be on or off premises. Cloud-based applications offered from vendors are often hosted or secured by third-party providers.

Source: Dresner Advisory Services 2019 Cloud Computing and Business Intelligence Market Study
Some uncertainty arrives with this flexibility since infrastructure, application and platform services might involve different or multiple vendors. Diligence is mandatory, but this is a necessary component to furthering efficiency through the most successful providers of applications, networking, and other competencies.

These details also provide additional choice for users to gain efficiencies or fill gaps in homegrown systems. For example, our study finds a large shortfall in user awareness of cloud security standards, indicating a lack of attention better left to third parties with security competencies. Users want single sign-on capabilities and a seamless experience. To that end, our study finds respondents more often secure services from or through proprietary BI vendors versus multiple third parties.
Agile License Choices

In 2019, organizations most often state a preference for free trial (try and buy) cloud experimentation.

Over eight years of study, we trace a slow migration toward subscription models over traditional perpetual license and maintenance models. This affords more flexibility for department- or campaign-specific use of infrastructure and allows more discretionary spending for BI. Increasingly, managed services are coming to favor for turnkey operational BI and infrastructure uses at both the department and enterprise levels. Many organizations nonetheless maintain processes that require that they treat infrastructure spending—regardless of type or model—as a capital expenditure.