

**NUCLEUS  
RESEARCH**

RESEARCH NOTE C61 – EXECUTIVE SUMMARY ROI ANALYSIS YOU CAN TRUST™

## The Real ROI from Cognos Business Intelligence

### **THE BOTTOM LINE**

Nucleus Research independently assessed the ROI from Cognos deployments and found that business intelligence solutions can help companies leverage existing assets and improve decision making. Eighty percent of customers interviewed by Nucleus achieved a positive ROI on their Cognos deployments because of increased productivity, increased revenues, or reduced operational costs.

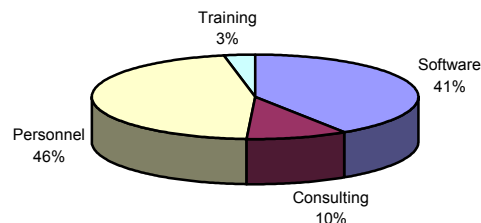
This is an executive summary of Nucleus Research Note C61, *The Real ROI from Cognos Business Intelligence*.

To provide its clients with insight on the costs and returns from business intelligence solutions, Nucleus Research conducted an independent analysis of the ROI Cognos customers have received from their deployments. Nucleus selected Cognos for this analysis because of the company's market position and relevance to various industries. As is standard Nucleus Research practice, Cognos was not informed of Nucleus's analysis and was not given the opportunity for editorial review before the report or associated ROI case studies were published. The report is an independent analysis and was not commissioned by any vendor.

Nucleus analysts interviewed 30 Cognos customers to analyze the ROI from their deployments. Key results included the following:

- Eighty percent of customers told Nucleus that they had already achieved a positive ROI from their Cognos deployment. Companies found returns in three main areas: more efficient reporting, improved information for decision making, and improved customer management.
- The average time needed to deploy a Cognos solution was 4.5 months.
- The average company uses fewer than two full-time employees to support its Cognos solution on an ongoing basis.
- The 3-year average cost of a Cognos deployment was \$933,229.

### **The 3-Year Cost (Average) of a Cognos Deployment**



TOTAL: \$933,229

## RELATED RESEARCH

- C55 ROI Profile: Cognos - Brayton International
- C56 ROI Profile: Cognos - Trimac
- C60 ROI Profile: Cognos - City of Albuquerque
- C62 Smart money: maximizing returns from business intelligence

Nucleus Research found that competitive pricing and a clear pricing structure were key factors in many customers' decisions to purchase Cognos.

Although most customers interviewed did achieve a positive ROI from their Cognos deployment, some experienced challenges that resulted in either increased costs, slowed deployment, or limited benefits to users. Key challenges to maximizing ROI included cleaning and validating data, defining user requirements, and upgrading to new versions of the software.

In addition to the customer survey, Nucleus applied its financial analysis methodology to quantify the actual ROI of a number of individual Cognos customers. Key customer results included the following:

- Brayton International, a furniture manufacturer, achieved a 576 percent ROI and a payback period of one month by deploying Cognos PowerPlay, Impromptu, and Decision Stream modules to support data reporting from its ERP application. Key return areas for Brayton included increased general employee and IT staff productivity and improved sales management.
- Trimac Corporation, a transportation services provider, used Cognos to analyze capacity utilization and other shipping data to reduce costs and increase billing accuracy. The company achieved a ROI of 185 percent with a payback period of 1.07 years.
- The city of Albuquerque achieved a nearly 2000 percent ROI from its Cognos deployment by reducing administrative overhead and identifying other potential cost-saving areas.

Nucleus Research recommends companies considering an investment in Cognos or another business intelligence solution do the following:

- Select a solution based on an evaluation of costs and benefits in their specific environment, including the cost of cleaning and validating data.
- Define user requirements and ensure that reporting needs with high breadth and repeatability are addressed first to drive increased return on investment from a business intelligence solution.
- Realistically evaluate current data sources and validity to plan time for effective data cleaning as part of any deployment.
- Use ROI analysis to identify the greatest areas of potential benefit and use that analysis as a road map for prioritizing deployment, data validation, training, and report development.