TDWI’s
Business Intelligence Maturity Model

The six-stage BI Maturity Model shows the trajectory that most organizations follow when evolving their BI infrastructure from a low-value, cost-center operation to a high-value, strategic utility that drives market share. The model provides a big-picture view of where a BI program is, where it needs to go, and how to get there.

BI Adoption Curve
Most organizations go through six stages when evolving their BI environment from a cost-center operation to a strategic resource that drives the business and shapes the market. The bell-shaped curve indicates that most organizations have reached stages three and four: “BI sophistication” marked by an increase in funding, personnel, usage, and the continued presence of spreadsheets.

Local Control versus Enterprise Standards
In the early stages of BI, power users were equipped with spreadsheets and were never given access to decision support systems, and end-user BI tools such as Crystal Reports. This hierarchical model was driven by the need for a centralized control over the context and display of information. The centralization of BI decision making, however, leads to a number of disadvantages:

- Limited access to information for end users
- Inability to tailor BI tools to specific needs
- Difficulty in integrating data from multiple sources

As organizations mature, they begin to realize the benefits of empowering end users with BI tools such as Cognos, which can be used to create custom reports and dashboards.

BI Usage
Information is primarily exploited by power users in the early stages of BI, but as BI matures, more people are using BI tools to make data-driven decisions. This shift from a single-user to a multi-user model is driven by the need for more granular, detailed information and the ability to drill down into data to find answers to specific questions.

BI Insight
Organizations use BI to measure different types of data and at various stages in their evolution. Initially, BI is used for simple metrics such as sales or customer satisfaction. As BI matures, it can be used to analyze complex data sets and to predict future trends.

Business Value and ROI
The business value of BI is strongly influenced by the organization’s ability to effectively use BI tools and data to make informed decisions. The ROI of BI can be measured in terms of increased revenue, improved efficiency, and reduced costs. As BI becomes more sophisticated, the ROI can be measured in terms of decreased time to market, increased customer satisfaction, and better risk management.

The model also highlights the importance of cross-functional collaboration and the need for a BI governance framework to ensure that BI initiatives are aligned with the organization’s strategic goals. The BI Maturity Model provides a roadmap for organizations to follow as they evolve their BI capabilities and drive business value.