



Business Intelligence

What is it? Why do you need it?

This white paper at a glance

This whitepaper discusses Professional Advantage's approach to Business Intelligence. It also looks at the business value of implementing a Business Intelligence solution at an organisation.

Specifically this document discusses:

1. What is Business Intelligence
2. Why you need it in your organisation
3. How to approach the implementation of a Business Intelligence solution

Introduction

A number of important decisions are made in organisations each day. Some decisions are based on information extracted from their line of business (LOB) systems and some based on personal experience and intuition.

In many organisations the reliance on accumulated knowledge in order to make a business decision is quite high. However, the experience and accumulated knowledge takes time to develop and is the domain of few individuals. So what happens when these experienced people leave the organisation?

A way of addressing this problem is to rely on facts from LOB systems when making decisions. However getting all the information together is not easy. Organisations use a number of LOB systems to manage their business, such as financial, membership, point of sale, customer relationship management, etc.

While most organisation's LOB systems have some reporting capabilities they each come with their own set of rules, data structures and standards. Modifications to existing reports or adding new reports based on specific business requirements is difficult and equires specialist skills and an understanding of the underlying data structures.

In addition, reports generated from these LOB systems provide a silo view of the organisation's business. To make informed decisions, a consolidated view of the business' entire critical information is required.

Organisations that try to get this consolidated view typically manually export critical information from multiple systems, then consolidate and format the information in a spreadsheet. This is a highly manual and time consuming process prone to errors and requires considerable resources. Often by the time management receives reports, the information is out of date. Significant quantities of data are held and often 'locked'



away in organisation's systems and difficult to extract. As a consequence of this, little use is made of existing data.

A Business Intelligence (BI) system addresses these issues and provides users with information and tools required to maximise their competitive advantage. A well designed and implemented BI system will enable the organisation's users to report on, analyse and optimise operations to reduce costs and increase revenue. The data can now be 'unlocked', empowering users.

The information provided by BI system may be used to support strategic and tactical decisions such as campaign management or improving customers' satisfaction as well as daily operational decisions designed to quickly respond to changing business conditions.



What is Business Intelligence?

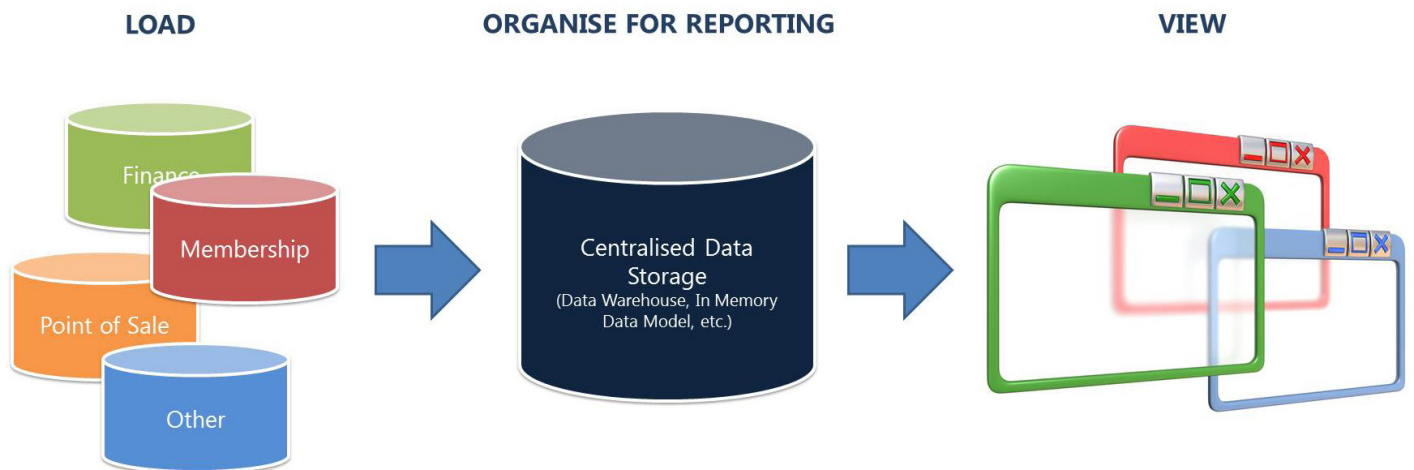
Business Intelligence (BI) is the use of data to drive business insight, discover new business opportunities and gain a competitive advantage. A BI solution is a set of concepts, methods and technologies for gathering, storing and analysing data to help organisations make better business decisions. With a BI solution, organisations are able to turn information into knowledge and knowledge into financial gains.

The main characteristics of a BI solution are:

- Single point of access to all business critical information
- Consolidated information from multiple data sources
- Centralised business logic
- Timely answers to business questions
- The right information targeted to the right audience (users)
- Consistent reporting approach across the organisation

The main components of a BI solution are:

- Extract, Transform and Load (ETL) processes to combine and link information from various sources into a centralised storage area.
- Centralised data and business rules storage (depending on the technology selected this could be a data warehouse or in memory engine data models/files for example).
- Analytical platform to support dashboards, what if, ad-hoc analytical reporting and relational/pre-defined reports.



Why Do You Need Business Intelligence?

BI is the key to leveraging the wealth of data that accumulates in a organisations' line of business systems. With BI, non-technical users can quickly analyse and pinpoint what drives their business activity. This can help reduce costs, increase revenue and improve user's satisfaction.

For example:

- Because board and management have self-service access to relevant reports the organisation no longer needs to prepare and send paper reports. This provides savings in printing and postage costs.
- Because business users can design their own queries and reports report backlog and delays are eliminated and IT resources can focus on other value added tasks.
- Because business users have access to solid facts and figures they are able to better design their service and offerings and focus on valuable customers or suppliers.
- Because business users can analyse the success rate of marketing campaigns, they can tailor products/services and promotional activities specific to the target audience.

While many of these benefits are clearly quantifiable some of the more intangible ones such as improved communication throughout the organisation, improved job satisfaction or sharing intellectual capital can give an organisation the greatest edge over their competitors.

There are also the unpredictable benefits resulting from discoveries made by creative users. For example, based on insight on customers' spending habits, organisations can introduce a new service program that results in increased revenue. A well implemented BI system allows users to challenge assumptions with factual information.

An Approach to the Implementation of a Business Intelligence Solution

The Professional Advantage (PA) approach to the implementation of a BI solution is based on working with organisation's to define a tailored BI strategy and implementation roadmap based on each organisation's business requirements and priorities, then working with them to incrementally build their solution.

The implementation of a BI solution should not be approached as a one big project. Rather it should be a set of many smaller projects that incrementally extend an organisation's BI solution based on a predefined but flexible BI strategy and an implementation road map.

This phased, incremental approach to the final solution will ensure that a organisation's immediate and long term BI requirements are satisfied whilst delivering tangible business benefits and ROI at each phase.

Professional Advantage designs BI solutions using top to bottom approach. The typical process of designing a BI solution is described below:

- Identify subject area(s) to be analysed
- Identify main business questions to address selected business areas
- Identify main stakeholders and required delivery mechanism
- Define priorities and create a BI solution implementation roadmap
- Identify data and business rules required to support answering the identified main business questions
- Work with business users to build required analytics, dashboards and reports

Business Intelligence Presentation Layer

A BI system should be a key component of an organisation's IT framework. However the BI environment includes more than just its technology platform. Organisations have different occupational groups or internal cultures and each of which has a particular decision making style. An effective BI system fits into a business' human and cultural dimensions as well as technical platform.

The human and cultural dimension should be especially considered when planning how information is delivered to end users.



The table below lists the main BI stakeholders group and appropriate report delivery matrix:

Role	Report Type	Comment
Business Decision Makers (executives and managers)	Fixed Reports and Dashboards	Business Decision Makers monitor performance by viewing high level/summarised reports, KPIs and dashboards published to web. The information must be easy to understand, timely and accurate.
Analysts	Ad-hoc reports, What if analysis, Report Writing, Queries	Analysts create and publish reports, KPIs and dashboards. They use powerful tools to perform detailed analysis: drill down/around, data mining and statistical analysis.
Information Workers	Flexible Reporting - Drill Down, Parameters	Information Workers view and interact with predefined, parameterised web reports and ad-hoc reports published to web.
Line Workers	Fixed Reports	Line Workers view predefined reports published to web or printed that display information on relevant subject area only.

Conclusion

The 21st century is a complex place to conduct business. Customers have many choices and are more informed than ever before. The competition today is fierce. Customers’ loyalty cannot be taken for granted any more. Organisations need to react quickly to changing business conditions and to do that they need up to date and relevant information.

The issue for most organisations is that this information is inaccessible to all but a few technical resources. Everyone else relies on these masters of data to run queries and produce reports. So many opportunities may have been missed while waiting for the right information.

BI is the key to leveraging this wealth of information accumulated in organisations over time. With Professional Advantages’ business experience and technical expertise it is easier than ever to get on a journey of building your BI system.

The self-service approach to information will provide the greatest benefits. With direct access to clean and reliable information, business users can develop effective response that helps their organisation reach their strategic and operational goals.



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