

The Intelligent Business: How Benefits-Led Business Intelligence Can Drive Value



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By Spyros Stamoulis and Gareth Cummins

Today's challenging economic environment, intense competition, and pressure on growth make Business Intelligence (BI) more important than ever. A successful BI solution can harness the combined power of applications, infrastructure, tools, and best practices to provide executives with ready access to, and analysis of, critical information for decision-making that will drive corporate performance

Yet many companies have suffered through unsuccessful attempts at developing BI. If your company is one of them, you have likely seen low adoption rates, skepticism among users, and a lack of appropriate tools and executive support. You may also have seen a proliferation of reports that lack common data definitions and have limited usefulness for supporting decision makers—the precise opposite of what was intended.

Why have so many companies failed to develop successful BI? We've found that unsuccessful programs have one major mistake in common: They approach BI as either a business issue or a technology issue when in fact it is both.

Superior BI facilitates successful decision-making, and it can improve your organisation's performance today and into the

future. But it requires a collaborative effort by your business and technology resources; and creating it requires a defined process that has three primary steps.

Step One: Defining a Benefit-Driven Roadmap

A successful BI program starts with a business case that's jointly developed by your business and IT resources—a business case that defines a prioritised delivery roadmap based on projected benefits that prove the BI solution and provide measurable value to the business.

Aligning your BI requirements to the most important business drivers and metrics avoids the unnecessary expense of

unnecessary reports. The benefits case should focus on answering the following questions: “What reports do we really need to run the business?” “Do the reports clearly link to our primary business drivers?” “Will the information we generate be actionable once we have it?” Only when information has a clear value can it be truly useful as BI.

Unsuccessful BI programs have one major mistake in common: They approach BI as either a business issue or a technology issue when in fact it is both.

Fully realising the benefits of BI may also require linking to other programs or projects in your business portfolio. For instance, if the objective is to rationalise systems, increase revenue, and reduce headcount, then your BI delivery should be planned as part of a wider set of business and IT restructuring plans.

A consumer goods company we worked with wanted to cut back on the 1,600 finance reports it was producing. The business leaders pared the list to 120 reports that were clearly aligned to critical business drivers and metrics. Then with IT they developed a benefits-driven roadmap to prioritise report build and enable rapid benefit realisation. As a final step, the BI delivery was linked to an existing finance transformation programme to allow the company to realise end-to-end benefits across the finance function.

Step Two: Securing Senior Executive Support

Another primary component of BI development is securing ownership at the most senior level of the organisation. Executives at the top often see BI as something to be handed off to IT. True,

the CIO is the voice of practicality who can translate abstract desires into technology, architecture, and delivery. But while IT plays a critical role in realising the BI vision, the business must take ownership of the BI requirements from start to finish.

Senior executives should ensure there is appropriate support of the BI project from design to delivery and beyond. Key stakeholders and steering group members from your pool of business and IT talent should be selected up-front since collaboration from the outset of the project will enable better decisions to be made about costs, timing, and process changes.

At a global entertainment company, for example, the growth of European operations was being hindered by the lack of a consistent suite of reports across all regions. A governance model was created to manage BI centrally across business and IT, and each country's head of operations took responsibility for solution adoption. Despite differing levels of operational maturity in each region, the BI solution was successful because there was business ownership at the top, and because there was collaboration between business and IT from the start of the initiative.



Step Three: Developing Flexibility

Finally, flexibility needs to be infused throughout the business design—not just looking at current needs but also looking at what the business will require in the future based on the business

model and strategic direction. To keep the solution fresh and relevant, it's imperative to develop flexible data models capable of addressing future business requirements and organisational change without the need for significant BI redesign.

As the solution is developed in line with benefits realisation, opt for agile development methodologies that pull business and IT teams together to identify the requirements, prioritise what is built first, develop the solution, and test and tweak it so that in a 12-week period (instead of many months) you have rapid delivery of relevant solution components.

Consider the consumer goods company that needed to develop a BI solution to capture near-term savings while creating flexibility to meet the future needs of their rapidly changing organisation. They looked beyond their current structure to consider how their BI data model, master data, and hierarchies could be developed to provide flexible analysis as the business changed. The design was further future-proofed by linking the BI plan to other ongoing and planned business and IT projects to ensure they had a portfolio-wide view of potential future organisational change.

After the Build: Sustaining Your BI System

Of course, you're not done once your BI system is built. Your business will change, new requirements will come through, and if you're not careful your system can quickly fall into disrepair, directly affecting the desired benefit realisation. So, how do you coordinate and prioritise new requirements? How do you know what to build and how to build it? How do you monitor the effectiveness of the system to make sure it remains relevant over the years?

Whether physical or virtual, a Center of Excellence or BI Competency Center comprised of people who understand

the company's business and IT can help you monitor user adoption and benefits realisation, and drive enterprise-wide standardisation of your BI solution as technology improves and changes to your business inevitably occur.

More than ever, developing superior Business Intelligence is an essential component of success. To avoid the most common

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mistakes companies make in developing BI, tap both your business and IT resources to create a benefits-led business case that has senior level support and is flexible enough to grow as your business evolves. The result will be a successful BI program that delivers the right information to guide your executive team in making decisions to help your organisation prosper.

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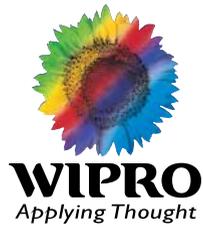
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