The 5 Habits of Effective Business Intelligence

Expert insight that helps boost your organisation
Management Summary

This paper offers an eye-opening perspective on Business Intelligence (BI) in practice. The reality is: Most companies do not reap the full potential of their BI systems. Archaic processes and lack of insight on how to make data meaningful, among other reasons, lead many organisations to wasted efforts and subsequent loss of potential financial gain. The good news is this can be changed: with help of The 5 Habits of Effective Business Intelligence.

About the Author

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Paul is Managing Director for itelligence UK and is responsible for the strategy and direction for the Analytics division. Paul has considerable experience in helping advise clients across many industries on their information and data strategies and gaining real value from business intelligence.

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How Effective Business Intelligence (most likely) Differs From Yours

Every day countless businesses produce digital exhaust data. Default approaches contrived to ignore this can result in valuable information slipping away. As a consequence, companies miss out on using BI data to make potentially more profitable business decisions. The reality is that few organisations are maximising the potential of their Business Intelligence strategies.

BI as a discipline aims to meaningfully analyse a company's data. When used effectively, it can help set new strategic directions, support decisions, deliver input for innovation and give early warning on when something goes awry. To keep up with the status quo, it is likely that hours, maybe even days or years, are spent implementing what was learned about BI strategy: producing reports, managing data, setting up infrastructure, etc. However, it is also possible that what was originally sought out to do has not been achieved.

While there is no silver bullet to mastering BI, there is great opportunity for improvement using some tried-and-true techniques and change management strategies from BI experts: The 5 Habits of Effective Business Intelligence. Applied correctly, the 5 habits, which are easily incorporated into daily business routines, can spark change in your company's BI and thereby increase the value BI gives to your organisation.

What is effective Business Intelligence?
Effective Business Intelligence is not just another project: it is a change strategy for everyday professional life. It uses information to drive business, by making smart incremental decisions based on facts and data.
Business Intelligence in Practice: Common Misunderstandings

Today, BI can be found with nearly every organisation. Yet, at the same time, many people fail to understand BI’s actual value to their business.

Six frequent queries from Business Intelligence users about the subject are:

- How do I get budget approval for all the BI I am asked for?
- Everything takes so long when I ask IT for additional data. Can we change this?
- My team does not trust that the data is correct and it seems like we are just churning out reports. How can I really start to get value?
- We have done a lot of technical training, but I am not convinced we are getting a return on it. What should we do?
- How can I refocus my talented team on driving change rather than manipulating and reporting data?
- I have heard about return on investment (ROI), reduced total cost of ownership (TCO) and fast time-to-value. BI in practice seems to promise this, but how do I make it relevant to my organisation and me?

From the sound of it, the size and scale of Business Intelligence information confuses users, or they misunderstand it. They lack the proof to justify BI’s cost. They are uncertain about the proper processes and question the final results. They want to do much more with BI but are unsure of which steps to take to do so. Overall, they want to learn how to transform ineffective BI into effective BI. In other words, they want data that can be used to make quick, well-founded strategic and day-to-day business decisions.

Small things add up to something remarkable

Properly applied BI is not about taking a quantum leap. It is about creating a culture of continual incremental improvements, striving, for example, to make 5% improvement everywhere. Consistent minimal changes feel achievable and with time and persistence can add up to something remarkable.
The 5 Habits of Effective Business Intelligence

The 5 Habits of Effective Business Intelligence empower you to develop new ways of thinking, and to habitually do what drives value – both from the start and during business-as-usual mode. It is important to bear in mind that BI is not a project: it is a strategy to help your organisation use data and information effectively in ways that improve your business. Successfully implementing this strategy requires a methodology – a set of habits – that underpins everything all employees do in your organisation. You can use the 5 habits to drive change, but you and your organisation must change to drive these habits. Now let us delve deeper into The 5 Habits of Effective Business Intelligence.

Fast BI fact
So-called “Best-in-Class” companies apply BI solutions that work in real-time, and manage their data within the BI system. What is more, they use BI tools to make quicker strategic decisions.

Habit 1: Focus on Drivers For Insight

Focusing on drivers for insight means understanding the value that delivering insight to your organisation can bring. Your goal should be to identify what you are really striving to achieve, not about heeding to the loudest or most influential individuals in your organisation. Nor should you simply deliver series of reports as per the finance or marketing department’s requests.

Examine the following four components when determining your drivers for insight:

- **Maximising business opportunity**: Here driving revenue is key. You must identify revenue-boosting opportunities to go after, and maximise them. BI aids you in understanding and influencing these opportunities.

- **Reducing inefficiencies**: Use BI to determine how efficient or inefficient your processes are. Doing so can help you reduce the cost of running business.

- **Improving compliance, risk and governance**: This aspect is all about stability. Depending on your industry, you may have certain regulations you must follow or report on. With the right BI, you can gain insight and create capabilities to better manage compliance issues more effectively.

- **Decreasing the system’s TCO**: Verify that the systems you have in place, the database and the technical capabilities are not costing you more than necessary to deliver BI.
BI needs differ from company to company and industry to industry. By plotting these four components on an axis, you can gain understanding of what aspects to focus on for your organisation, and pinpoint what you need to do in terms of BI. This outline of what your drivers for insight should be will help you use BI to maximise business opportunities and reduce costly inefficiencies and TCO.

Figure 1: Value - Understanding The Drivers For Insight

Habit 2: Deliver Value Quickly

In today’s fast-paced world, business requirements are constantly evolving and opportunity realisation must occur within a relevant window of time. However, the most cost-effective approaches to BI are often not agile and emphasise longer-term platform delivery. The consequences of slow data procurement mean further delay of any value derived from BI. Effective Business Intelligence requires mastery of the art of managing these conflicting priorities.
Once you identify the value, you must respect the value, be conscious of it and deliver it quickly to your organisation, because business changes, politics change, and people change. If, for example, you are a retailer and you identify a great new business opportunity, you cannot spend six months completing a BI project to get the data needed to enact and react. By then, the drivers for insight may not be the same, and your project will be irrelevant and ineffective.

Moreover, you must respect your drivers for insight. Because it is impossible to predict when opportunities arise, finding an agile framework to work within allows you to respond to opportunities when they appear. This enables you to be proactive in identifying how to deliver value and going after opportunities to quickly and often deliver value to a business.

Habit 3: Drive Business Engagement

By engaging the audiences responsible for reports and the final recipients of BI information, you can increase BI’s relevance among affected employees. This is a vital aspect of successful BI, since without engaging your audiences BI in an organisation will never work. Everyone speaks about adoption, but this is much more than just that. In BI, making actual changes is what proves that something is valued.

Here are some ways to drive business in an organisation:

- **Data and technology**: Thanks to mobile BI, people can be engaged while having the necessary information when and where they need it. If, for example, sales representatives needed to be at their desks to access and use data, they would in no way be engaged. Data and technology open up ways to drive engagement to information, which in turn makes a difference and drives change.

- **Strategy**: People are more engaged when they understand BI’s relative nature and value. This means you should use BI to communicate the message of a strategy and use the right metrics to help engage people.

- **Evangelising**: This is as simple as believing in the value of what you identified as the driver for insight and tell people about it. Do whatever is necessary and best fits to your organisation: brand your BI project, pursue internal public relations or complete other communication measures.

- **Involvement**: Involve those who will be impacted by the information you deliver. Engage them throughout the process, from the time you start to understand what the drivers for insight are, to delivering, testing, and implementing, and from both a project and business-as-usual perspective. This builds trust and involvement through empowerment. Plus, it gets people engaged in what you are talking about and what you are delivering.
Habit 4: Develop Capabilities

The goal of BI strategy is to enable your team to make the most of its information. This includes making teams as self-sufficient and effective in BI as possible. Doing so promotes the embedding of BI in organisations – not just as a task, but also as an inherent part of what they do.

Organisations often focus heavily on either IT capabilities in order to build a technically sound BI solution, or on a pure software tool based training. This often causes them to forget that the business community also needs to engage with the information – not just the tools. The capabilities of the business competency to make good use of information must be considered in terms of technology, sustainability and work methods.

Training your employees in using software is a must – not only from a technical perspective, but also in making the data meaningful. Many employees do know how to use the tools – and can make Excel reports and pivot tables, for example – but cannot use the data. When they know how to really apply the numbers to the tools provided, you get the input needed for profitable decisions and strategy.
Sustainability and creating new ways of doing things are also cornerstones. This might mean coming up with new approaches that enable both IT and the business side to develop new capabilities. You may have the technological capabilities to drive change, but do you have the business capabilities? Do you know what to do with the new information you get? Is your organisation skilled in knowing what needs to be done? It is true that technology products enable BI. However, a top-down change of business capabilities is necessary to implement changes and make BI effective.

Figure 3: Development of Capabilities

Habit 5: Manage Ownership Costs

Although delivering business value through the application of Business Intelligence services is top priority, monitoring and continually reducing ownership costs are an essential part of ensuring a sensible, sustainable investment. Whatever the driver for insight is, even if it is not TCO, it is prudent that both IT and the business jointly manage BI costs.

This can be achieved by:

- Investing in solutions that reduce the amount of time and effort spent on non-value-added tasks.
- Considering a hub and spoke model for your BI Competence Centre. This enables both centralisation of BI competency and devolvement of responsibilities and activities to individuals or other business units.
Your organisation may need to come up with a new way of working and thinking about BI. Developing a set of capabilities and putting BI competencies in place pulls together the parts of an organisation that have a stake in BI. This gets everyone on the same track and establishes a way of working that can be used to deliver projects, implement changes and conduct “business as usual” activities. The correct technology to support it must also be in place. For BI to be successful, your organisation must have the appropriate capabilities in place throughout your company. This is how you can effectively manage the ownership costs. The cost has to be financially viable, but not all projects are about reducing the TCO.

Fast BI fact
Business Intelligence is about change. Changing the way you think and approach things. It is about a set of habits that underpin the way you should approach, think, lead, advise, and deliver BI, analytics and data warehousing to continually deliver value.

Figure 4: Overview of How to Apply The 5 Habits of Effective Business Intelligence

Understand the drivers for insight
Value
Manage ownership costs
Financial viability
Agility
Develop capabilities
Engaging
Deliver value quickly
Drive business engagement

BI is about change
Regardless of your specific drivers for insight, think about managing ownership costs in a way that reduces overhead, duplication and cost of ownership across IT and business, not just IT. This includes investing in solutions that help reduce the amount of time it takes to build and deliver BI to your organisation. Invest in products that meet all your needs, not pockets of products scattered throughout your organisation and make sure that your products support your organisation’s short and long-term goals.

Summary: How Can You Make Effective Business Intelligence Part of Your Organisation?

The latest generation of self-service business intelligence tools is characterised by “real-time information”, ease of use, browser-based interfaces, menu-driven options, interactive graphics and other user-friendly features. This enables mainstream users to analyse and report on large data sets, without additional support by the IT department. In addition, data governance and security, a truly critical area, is usually accomplished through role-based access rights and security functions. But the bottom line is: without The 5 Habits of Effective Business Intelligence empowering a new way of thinking throughout the whole organisation, the value of those great tools cannot be fully exploited.

As demonstrated, while The 5 Habits of Effective Business Intelligence are not a magic formula that ensures seamless Business Intelligence at your organisation, they do give you a framework within which you can make achievable – and noticeable – BI improvements. One way to do so in practice is by setting up 5 streams of your BI initiative, one for each of the habits. This delegates a team of people who will focus on optimising each habit.

You can also consider assessing your organisation’s success, maturity or impact in these areas and build a future Business Intelligence Competency Centre based on your findings. Perhaps you even have another idea in mind that is in line with existing strictures in your company. One thing that experience has clearly demonstrated is that BI initiatives are most successful when organisations have a good balance of these habits, and can weave them throughout all business areas.
Read more …

… about trends, innovations and market insights in our white paper series. If you want to know more about Business Intelligence and the 5 habits, please contact the authors or visit us online at: www.itelligence.info

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About itelligence

itelligence is one of the leading international full-service providers in support of SAP® solutions, employing about 3,000 highly qualified employees in 21 countries and in five regions (America, Asia, Western Europe, Eastern Europe and Germany/Austria/Switzerland). As a frequently awarded SAP partner, among others a global value-added reseller, SAP Certified in Cloud Services and SAP Gold Partner Business ByDesign®, itelligence realises complex projects in the SAP solution-based environment for over 5,000 customers worldwide. In 2006, itelligence obtained gold-level status as an SAP channel partner as part of the SAP PartnerEdge™ programme. The company’s services in support of SAP solutions range from consulting and licensing to outsourcing and services to proprietary industry-specific SAP. In 2012, itelligence generated total sales of EUR 407.1 million. itelligence is “Top Consultant” 2012.
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