## **Business Intelligence vs. Business Analytics**

Business intelligence and business analytics are sometimes used interchangeably, but there are differences between the two terms. Understanding these differences helps leaders implement the right tools and processes for business growth.

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| **Topics** | **Business Intelligence** | **Business Analytics** |
| **Definition** | Business intelligence is used to analyze historical and present data to understand and drive current business operations | Business analytics is used to analyze historical data to drive current and future business |
| **Usage** | Present business operations | Future business operations |
| **Application** | Suitable for large companies | Suitable for all companies |
| **Tools** | Power BI, SAP, QlikSense, etc. | Microsoft Office (Excel), Google Analytics, Looker, etc. |

### **Business intelligence:**

Traditionally, Business Intelligence has been defined as the use of data to manage day-to-day operational management within a business. Leaders employ business intelligence tools and experts when they want to collect and store data about current operations, maximize workflow, produce informative reports, and achieve their current business goals. The process of collecting and analyzing data provides real-time metrics that support better business decisions. A well-made Business Intelligence Dashboard can help track performance benchmarks, spot trends and patterns, and maximize workflow.

Business intelligence tools include software and other systems, from Excel spreadsheets to reporting or supply chain management software, that help track real-time data.

**Business Intelligence Tools:**

1. Tableau
2. Power BI
3. QlikView
4. SAP BusinessObjects
5. Oracle OLAP
6. IBM Cognos
7. MicroStrategy
8. Sisense
9. Domino
10. Yellowfin

### **Business Analytics:**

Business Analytics, sometimes considered a subset of Business Intelligence, is the process of taking the data collected from business intelligence tools and turning it into useful and actionable insights. Common business analytics methods include data mining, aggregation, forecasting, and data visualization. Here, teams often partner with data scientists to help make sense of the data and inform strategy. This has generally been described as a more statistical-based field, where data experts use quantitative tools to make predictions and develop future strategies for growth.

**Business Analytics Tools:**

1. R programming language
2. Python with libraries like NumPy, pandas, and scikit-learn
3. SPSS
4. SAS
5. Excel with add-ins like Power Pivot and Power Query
6. Google Analytics
7. Adobe Analytics

**Key Differences**

**between**

**Business Intelligence and Business Analytics**

There are a few differences between Business Intelligence and Business Analytics that are important to know. The following factors provide context behind the differences so that the team can decide which types of tools and systems are best suited for your business.

**1. Focus on the Present or Future:**

One of the most common identifiers for distinguishing business intelligence and analytics is whether they focus on present or future challenges. Business intelligence uses historical data to understand and make decisions on current business operations. Meanwhile, business analytics tends to use data to predict future trends and opportunities.

This may manifest as business intelligence working through pain points in an organization’s internal workflow to meet certain goals or increase efficiency, whereas business analytics provides more useful insights on product innovation within the global marketplace.

**Descriptive vs. Predictive Approach**

The focus on the present vs. the future can be referred to as “descriptive” or “predictive” in that business intelligence gives detailed information that describes the current situation, and business analytics identifies patterns and trends to predict future events.

**2. How Big or Old an organization is:**

The size and age of a business can influence whether business intelligence or analytical tools are used. Typically, BI tools are used in larger organizations, while organizations of all sizes can use business analytics.

Further, a younger business or one that has gone through major restructuring might be more likely to focus on business analytics that predict future trends based on their history. More established organizations may be comfortable with their growth rate and choose to focus on business intelligence tools that provide information about current performance and operations.

However, most businesses will benefit from using a combination of both.

**3. Structured or Unstructured Data:**

Business Intelligence tools are better for structured data, which can be pulled from financial software and enterprise resource planning (ERP) systems.

Business Analytics tools can be used to transform unstructured and semi-structured data into organized data that can be analyzed more easily using predictive analytics.

**4. Analysts or Managers:**

Those in an organization who need access to real-time data are often managers, marketers, accountants, and departments that don’t have data analysis technical expertise. Business intelligence tools provide information so they can make sound decisions without the help of a data analyst or scientist. All they need to learn is how to navigate the software to view the dashboards they need.

Business analytics requires more navigation and expertise to decipher the data to transform it into something meaningful. It’s often data analysts and data scientists who can build and apply machine learning algorithms (such as predictive analytics) that work through large data sets to produce useful insights.

In essence, BI focuses on what has happened, while analytics delves into why it happened and what might happen next. Together, they enable organizations to optimize processes, uncover new opportunities, and gain a competitive edge in the marketplace.

## **Business Intelligence (BI) tools**

Business Intelligence tools collect, process, and analyze structured data from both internal and external systems and for large amounts of unstructured data Business Analytics tools are used. Data sources might include documents, images, email, videos, journals, books, social media posts, files, and more.

BI tools find information through queries, which can present the data in user-friendly formats such as reports, dashboards, charts, and graphs.

Business intelligence tools can identify new opportunities for businesses to improve return on investment (ROI) and competitive advantage based on insights found. These tools are used across all departments, industries, and business users, etc.

**Benefits of BI tools:**

BI tools can help the business take smart, agile steps toward accomplishing bigger goals.

1. **Centralized data:**

All the data, in one place. Companies collect data from numerous databases, portals, customer relationship management (CRM) systems, enterprise resource planning (ERP) systems, and more. To make sense of it all, with the help of these tools teams pool the data together and deliver certain types of visualizations based on queries or what they want to know.

1. **Self-sufficiency:**

Data no longer just belongs to any company’s IT team. Now, any employee without technical expertise, even interns, can access and analyze data necessary for their respective teams. They can generate relational tables, necessary fields, and reports based on any data they are given to.

1. **Trend Identification:**

With access to so much data from the past and present, employees can make evidence-based decisions. They can generate insights based on a product or service’s performance history. If a business condition changes, business intelligent tools can automatically figure out the anomalies and employees will be able to react to disruptions as they arise.

1. **Automatic Reports:**

Instead of inputting data manually into Excel spreadsheets or toggling between different tools, many BI tools are automated. If teams need a report on a product over a specific period, the tool will generate that for you. If that information is significant and teams want to add it to a presentation, they can create interactive visualizations and download accordingly.

1. **Reduces Business Costs:**

BI tools can do so much, from analyzing consumer behavior and sales trends, that analyzing, planning, and reporting processes are way more efficient and accurate than ever before. These benefits help organizations reduce costs and increase revenue.

**Top 5 Business Intelligence tools:**

1. Microsoft Power BI

2. Tableau

3. QlikSense

4. Dundas BI

5. Sisense