Star Schema: 4-Step Process

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Step 1: Choose the Fact Table

The first step in building a star schema is selecting the appropriate fact table — the central focus of our analysis. In this case, we have two potential candidates: sales and payment.

Since sales provides a more comprehensive view for analytics, we choose it as our fact table. To ensure completeness, we incorporate the amount field (originally from payment) into the sales table.

The final structure of the fact table SALES includes:

- sale_id BIGINT (Primary Key)
- store_id (Foreign Key)
- product_id (Foreign Key)
- employee_id (Foreign Key)
- customer_id (Foreign Key)
- sales_date DATE
- amount NUMERIC(10,2)
- update_dt DATE

Step 2: Identify the Dimension Tables

Next, we identify the dimension tables. These are easily derived by analyzing the foreign keys in the sales table. Each foreign key typically points to a dimension entity.

The dimension tables are:

- DIM_CUSTOMERS
- DIM_EMPLOYEES
- DIM_PRODUCTS
- DIM_STORES

Step 3: Denormalize the Dimension Tables

Since we start with a normalized (3NF) schema, we need to denormalize our dimension tables to create a flat, analysis-friendly structure for the star schema.

For each dimension identified in Step 2, we must trace and incorporate data from any related tables (via foreign keys) into a single, flat table. This means including additional descriptive attributes such as:

- For DIM_EMPLOYEES: fields from related tables like address, manager, and store
- For DIM_CUSTOMERS: fields from addresses, cities, countries, and regions
- And similarly for other dimensions

This step ensures that each dimension contains all necessary descriptive data, without the need for further joins.

Step 4: Build the Star Schema

Finally, we bring everything together.

The central fact table, FACT_SALES, will reference each of the dimension tables through foreign keys. The complete star schema now includes:

- One fact table: FACT_SALES
- Four dimension tables: DIM_CUSTOMERS, DIM_EMPLOYEES, DIM_PRODUCTS, and DIM_STORES

Each component is fully denormalized and optimized for efficient querying and reporting.