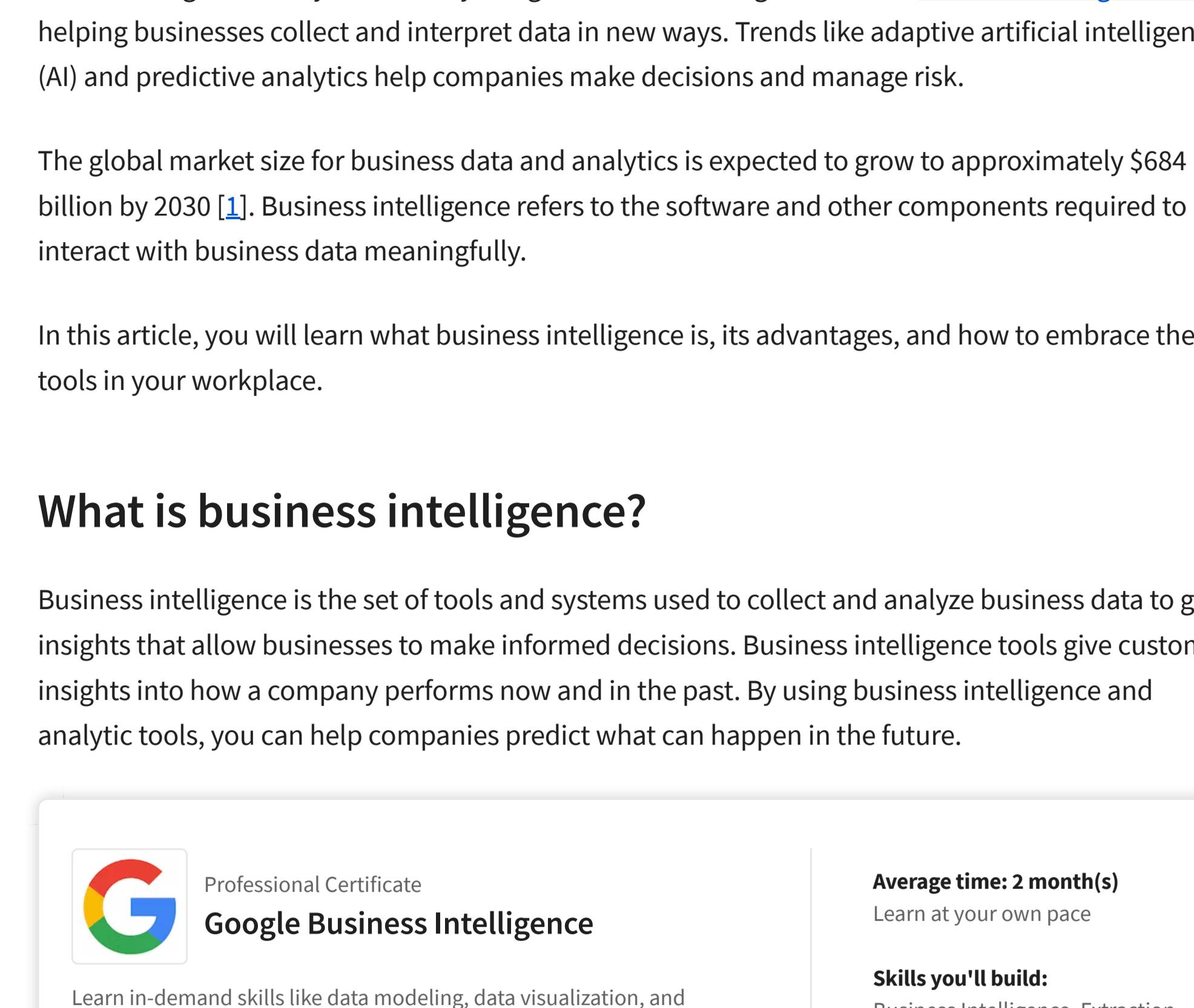


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Written by Coursera Staff • Updated on Nov 29, 2023



Business intelligence tools help companies understand performance in real time. Discover why and how you can implement business intelligence in your company.



Business intelligence (BI) refers to collecting, analyzing, and interpreting data to gain insights and make informed decisions within an organization.

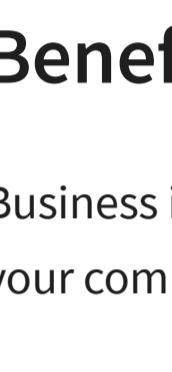
The booming data analytics industry has given rise to a new generation of [business intelligence tools](#), helping businesses collect and interpret data in new ways. Trends like adaptive artificial intelligence (AI) and predictive analytics help companies make decisions and manage risk.

The global market size for business data and analytics is expected to grow to approximately \$684 billion by 2030 [1]. Business intelligence refers to the software and other components required to interact with business data meaningfully.

In this article, you will learn what business intelligence is, its advantages, and how to embrace the tools in your workplace.

What is business intelligence?

Business intelligence is the set of tools and systems used to collect and analyze business data to gain insights that allow businesses to make informed decisions. Business intelligence tools give customers insights into how a company performs now and in the past. By using business intelligence and analytic tools, you can help companies predict what can happen in the future.



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Examples of business intelligence tools

Business intelligence is a category of resources a business can implement to collect data rather than referring to a specific tool. For example, a point-of-sale system may collect receipt data at checkout, and website analytics programs capture website traffic and user patterns. An inventory system similarly tracks the items you have on hand, so you see at a glance what you may need to reorder.

All of these tools are examples of business intelligence. Business intelligence tools conduct data mining, perform text and predictive analytics, and provide users with dashboards and tools to interact with and sort the data.

To understand how companies use business intelligence tools to drive innovative decisions, consider how Hershey pivoted its marketing and inventory to embrace new trends. As it turns out, one popular pandemic activity for people all over the United States was making s'mores. Hershey realized this when it discovered that the demand for s'mores ingredients skyrocketed in areas with a high number of COVID-19 cases.

Hershey also noticed that people were buying more of its six-pack chocolate bars and fewer individually-wrapped bars. Using this information, it was able to pivot both its production and inventory to accommodate its more popular item, as well as pivot marketing campaigns to appeal to the togetherness of making s'mores with friends and family. The result was an increase of more than \$70 million from the previous year [2].

Using business intelligence tools, Hershey identified trends and used that intelligence to drive decision-making to make its position as strong as possible for the coming summer. This is just one example of how companies are using business intelligence today.

Who needs business intelligence?

Business intelligence can be helpful to companies and organizations in almost any industry, but industries that deal directly with consumer patterns, such as retail, food and beverage service, and travel and transportation, may have a wide range of needs for intelligence.

The agriculture industry benefits from business intelligence to gather patterns in weather, livestock health, and prices of goods and supplies. Another example of an industry that benefits from business intelligence is the energy sector, which needs to predict supply and demand on the energy grid.

Business intelligence can help companies better understand how their customers think and behave. It also helps improve inventory systems, product management and merchandising, and marketing.

Benefits and advantages of business intelligence

Business intelligence is like a flashlight in the dark, helping you understand what's happening with your company and customers. Here are some of the critical benefits that business intelligence offers:

- **Track performance over time and in real-time:** Business intelligence gives you the foundation to make decisions based on facts and current trends in your company.
- **Set benchmarks for performance evaluation:** Business intelligence provides metrics to track success and measure performance in various objectives.
- **Identify customer preferences and behavior:** Business intelligence tools allow you to observe how customers interact with your brand and products, allowing you to react quickly to trends and marketing messages.
- **Improve supply chain efficiency:** Business intelligence gives you more accurate information to communicate with suppliers and distributors to keep supply chains running smoothly.
- **Faster, more accurate decision-making:** Using trusted business intelligence tools, your company can make wiser decisions with less risk because you lower the number of unknown variables.
- **Increased profitability:** Taken as a whole, these benefits of business intelligence help companies improve their bottom lines.

How to embrace business intelligence in your workplace

If you're ready to implement thoughtful business intelligence tools into your company, here are some tips for success:

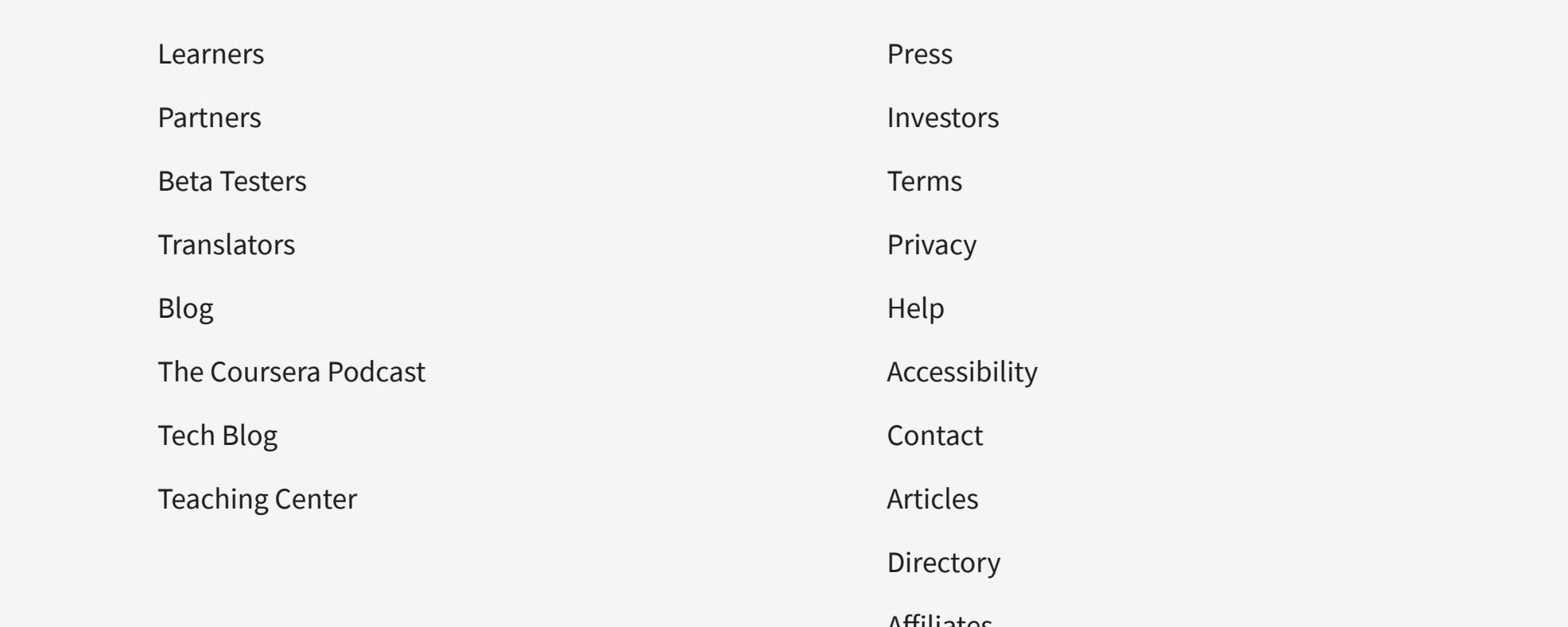
- **Choose the right business intelligence tools:** Understand your company's goals and objectives, identify key stakeholders, and consider business strategy when selecting the best BI tools for your needs.

- **Assemble a BI team:** Identify who will be responsible for business intelligence. Make sure to include representation from all key stakeholders, including the departments that business intelligence affects directly.

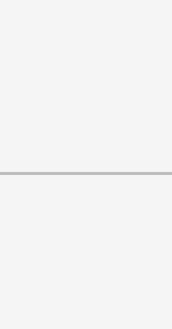
- **Embrace trends:** Many industries increasingly engage in a data-driven culture, with emerging technologies and integrations happening quickly. Business intelligence tools allow greater flexibility in responding to emerging trends and managing risk.

- **Make business intelligence part of company culture:** Engage all stakeholders in business intelligence, including training employees on how to use it and why it's important for company objectives.

Hear more about what it's like to work as a business intelligence analyst from Sally, a BI analyst at Google:



What that means is, I work with data to help improve the hiring experience at Google.



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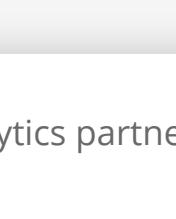
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