Business Intelligence Strategy

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SAP Mentor

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Background

University

- SAP Academic Program Director
- Research
- Industry Reports
- Best selling author
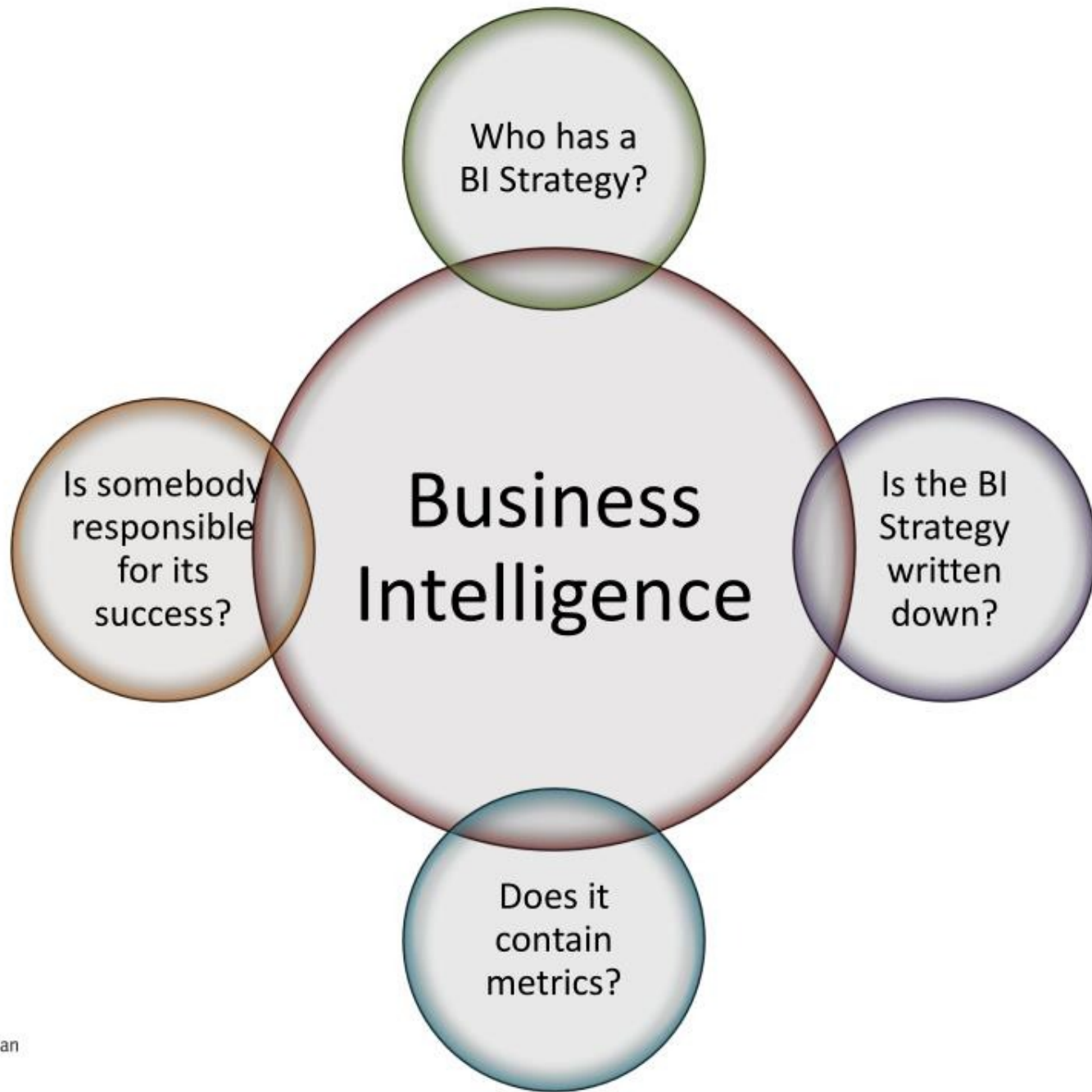- ERP Systems and Business Intelligence
- Visiting Professor

SAP

- SAP Mentor
- Teach Academics
- Develop curriculum
- Top 10 Most Influential SAP People (InsideSAP)

SAP User Group

- Presenter
- Design Events
- Advisor
- Past Chairperson

Maximise Value From ERP Systems

1. Likely to seek and measure tangible benefits, such as reduced cost and increased revenue.

2. Emphasis on integrating, optimizing and using analytics to drive improved business performance.

3. Extend systems throughout their organization and implement across a range of functions.

4. Integrate the organization and external systems of customers and suppliers.

5. Aggressively use information and analytics to improve decision making.

New Growth
from Enterprise Systems
Achieving High Performance through Distinctive Capabilities

accenture
High Performance
Business

Top CEO Business Priorities, 2013

Rank	Top 10 Business Priorities
1	Increasing enterprise growth
2	Reducing enterprise costs
3	Expanding into new markets and geographies
4	Increase profitability
5	Implementing finance and controls
6	Talent and workforce management/development
7	Consolidating, standardizing and streamlining operations
8	Execute acquisitions, mergers and partnerships
9	Improve governance, risk, compliance and security

Gartner

strat•e•gy
(străt' ə-jē) n.
1. Plan of action
designed to achieve
a particular goal.

Strategy and Business Intelligence

Business Transformation Projects

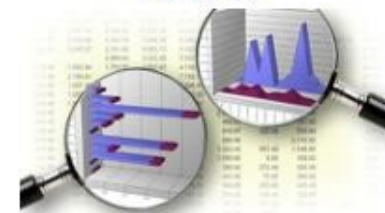Implement strategy through process, then continuously improve process effectiveness and efficiency

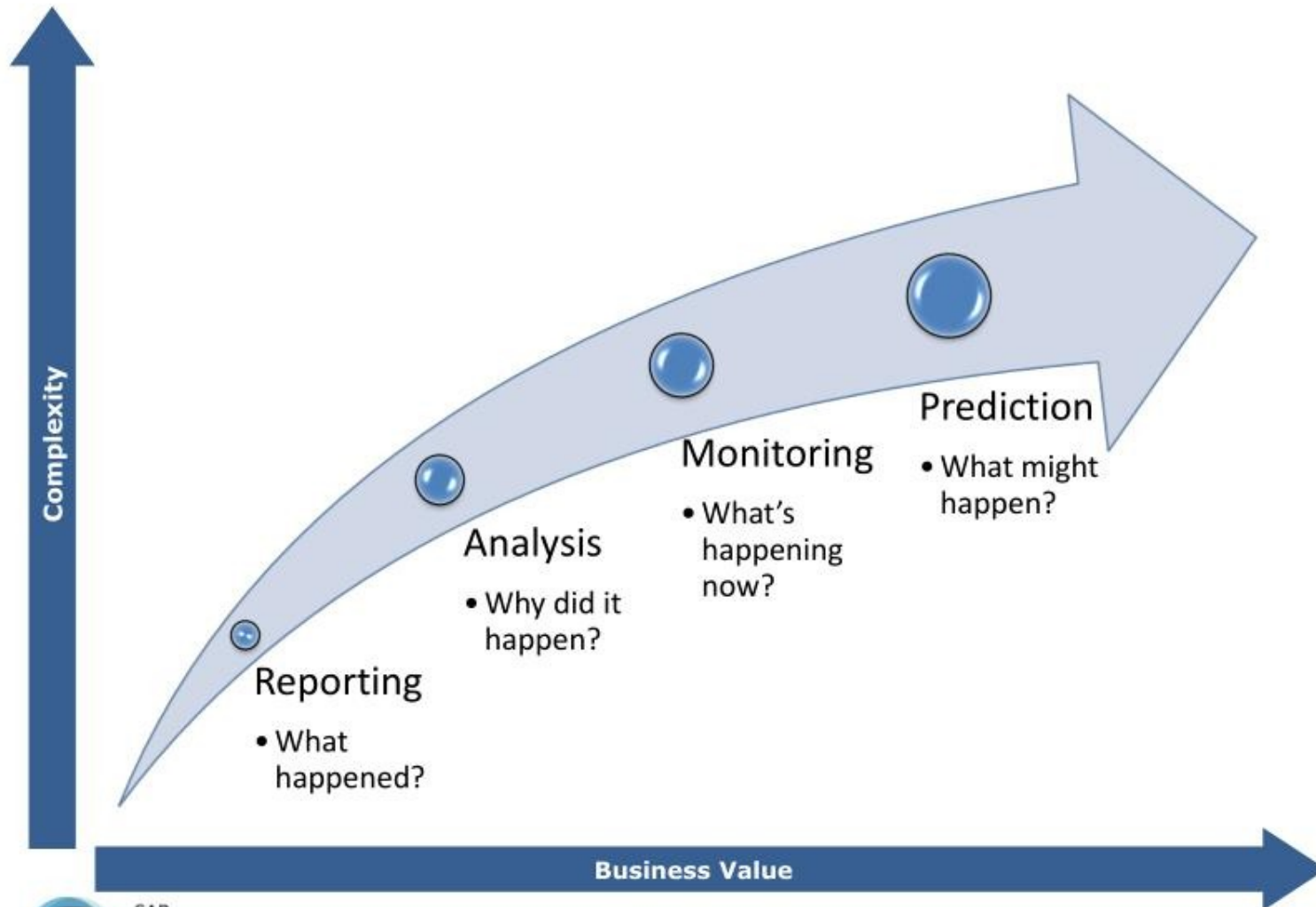**Strategy & Business Requirements** → **Business Process Priorities** → **Business Transformation Projects**

100% Performance = **Processes** × **People** × **Tools**

- Non aligned strategy with corporate strategy

- Little up front investment

- Limited impact on business from data

- Reactive reporting

- BI silo and governance

- Organic growth

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Business Role of BI (TWDI)

Complexity ↑

Reporting
- What happened?

Analysis
- Why did it happen?

Monitoring
- What's happening now?

Prediction
- What might happen?

Business Value →

saug SAP Australian User Group

Why Act?

No documented information strategy

Incomplete information with limited ability to drill down to support detail

Unaligned, diverse data structures

Poorly integrated processes with areas of duplication and inefficiency

Different definitions used across the business

Limited flexibility, absence of consistent data management

Reliance on Excel and manual processes to produce data

Complex transformations of non standard source data

Multiple point solutions with minimal integration

Time spent on validation and reconciliation rather analysis

Strategy

Information Requirements

Data Management

Operating Model

Information Access

Solution Architecture

- **Where are we now?**

- **Where would we like to go?**

- **How do we get there**?

Where are we now?

Level 1 Unaware	Level 2 Tactical	Level 3 Focused	Level 4 Strategic	Level 5 Pervasive
Total lack of awareness	No business sponsor; IT executive in charge	Successful focus on a specific business need	Business objectives drive BI and performance management strategies	Information is trusted across the company
Spreadsheet and information anarchy	Limited users	Funding from business units on a project-by-project basis	Deploy an enterprise metrics framework	Use of BI is extended to suppliers, customers and business partners
One-off report requests	Data inconsistency and stovepiped systems	BICC in place	Governance policies are defined and enforced	Analytics are inserted into and around the business process
		Specific set of users is realizing value	Establish a balanced portfolio of standards	

BI = business intelligence

BICC = BI competency center
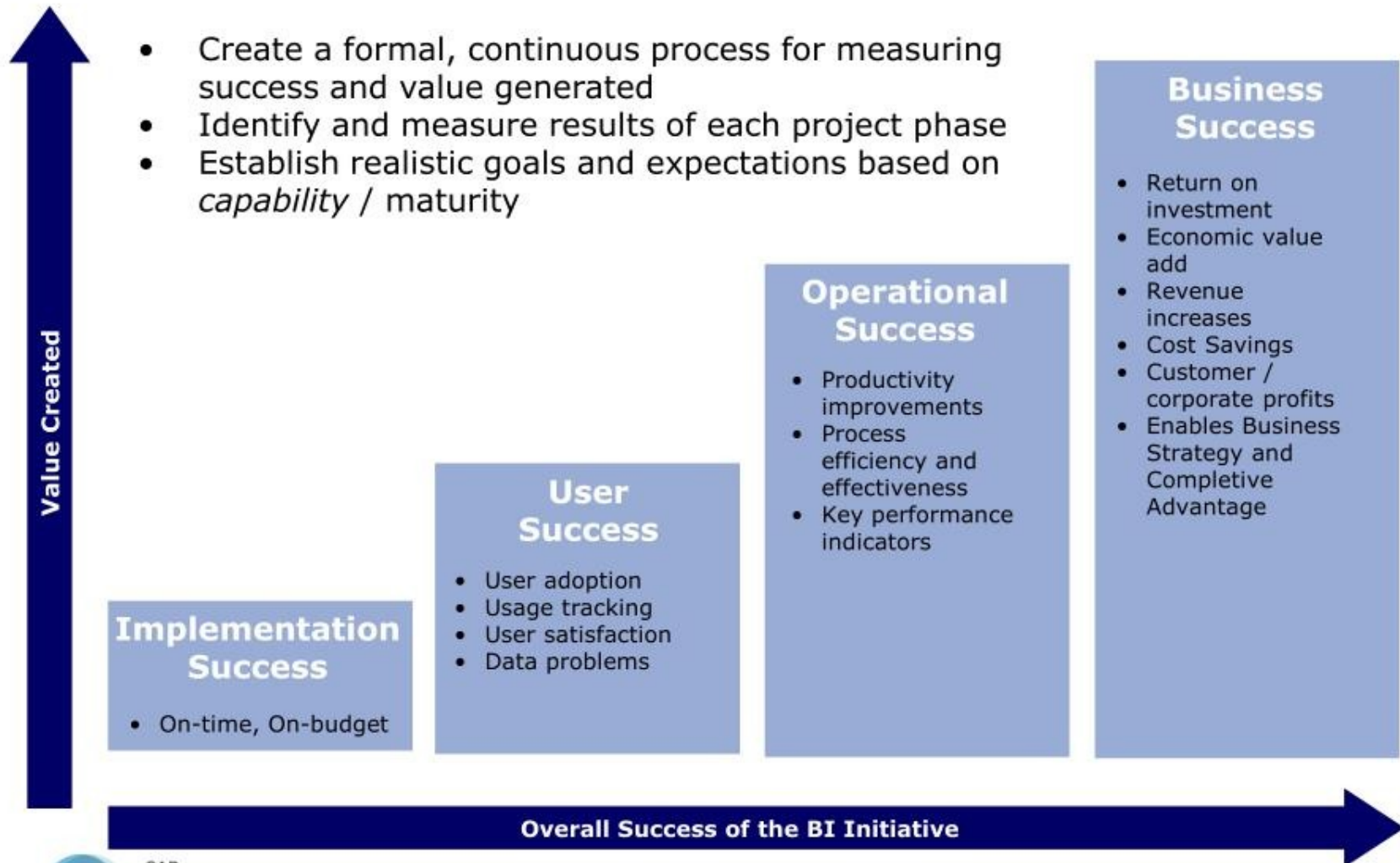
Source: Gartner (December 2008)

Where are we now?

ASUG Business Intelligence Maturity Model

Stage	1 Information Dictatorship	2 Information Anarchy	3 Information Dictatorship	4 Information Collaboration
Information and Analytics	Requirements are driven from a limited executive group	KPI's and analytics are identified, but not well used	KPI's and analytics are identified and effectively used	KPI's and analytics are used to manage the full value chain
Governance	IT driven BI	Business driven BI evolving	BI Competency Centre developing	Enterprise wide BI governance with business leadership
Standards and processes	Do not exist or are not uniform	Evolving effort to formalise	Exist and are not uniform	Uniform, followed and audited
Application Architecture	BI "silos" for each business unit	Some shared BI applications	Consolidating and upgrading	Robust & flexible BI architecture

Measuring BI Success and Value (McDonald 2004)

Value Created (vertical axis)

- Create a formal, continuous process for measuring success and value generated
- Identify and measure results of each project phase
- Establish realistic goals and expectations based on *capability* / maturity

Implementation Success

- On-time, On-budget

User Success

- User adoption
- Usage tracking
- User satisfaction
- Data problems

Operational Success

- Productivity improvements
- Process efficiency and effectiveness
- Key performance indicators

Business Success

- Return on investment
- Economic value add
- Revenue increases
- Cost Savings
- Customer / corporate profits
- Enables Business Strategy and Completive Advantage

Overall Success of the BI Initiative

BI Effectiveness Scorecard

Measure	Score	Comment
Business Case & Vision	✓	1) Single source of truth, 2) business analysis across borders, processes, businesses, 3) Analysts move from data gathering to real business analysis, 4) reduce total reporting cost
Executive support	✓	CFO provides visible public support
Alignment to business strategy and business processes	✓	Only Global Business Process Owners can request BI or CPM projects
Alignment and working practices – Business and IT	✓	Business Transformation Process aligns strategy, process and organisation. Business owns scope prioritisation and outcomes
Extended BI CC	✓	Central team with both business and technical expertise. Network from the center Business Transformation Officers and Market MIS Coordinators provide the link to adoption
Predictability – robust and effective delivery methodology	✓	Compliance to IT Project and Service processes as a subset of Business Transformation process

BI Value Scorecard

| Measure	Score	Comment
Global Enterprise-wide Adoption – the ultimate measure of BI success – % of employees as active BI users	> 10%	More than 10% of employees are active users, expect to reach 15% in 2009. More than 30000 navigations per day. 20% of employees are registered users.
% coverage in BI of business processes and business performance measurements Single source of truth across borders, processes, businesses	100%	Business performance measurements are available for all business processes and all business units. Expanding coverage within processes and units. Used in all Markets and in the center.
Response time	5 seconds	Worldwide: all management reports in 15 seconds or less, average navigation step below 5 seconds
Reliability, Consistency & Quality	7AM	All managers have fresh data at 7AM their time worldwide. Information is correct and broadening. Adoption makes sure it stays correct.
Easy to use – low training cost	High user adoption	Information portal based on geography, business roles and business processes; standard layouts make it easy to understand and use
Enables next steps – new major business information initiatives	Global Information Projects	Successful major new information projects – brand information back to our customers, worldwide alignment on Sales Forecasting

FIVE KEY AREAS OF STRATEGY

Assuming you need a BI strategy, or to update an existing one, there are five key areas of consideration:

1. **BI Roadmap** – for use as a start-up to a BI strategy implementation project.

2. **Stakeholder Management** - getting the right people involved at the right level.

3. **Architectural Blueprint** - how the BI estate will look and operate.

4. **Capability Improvement** - what needs upgrading, re-developing or decommissioning

5. **Implementation Planning** - how to approach implementing the roadmap to take you from here to there.

If It's All Too Hard

Report Analysis

1. What actions occur as a result of the report?
2. If no actions why not?
3. Under what circumstances will an action occur?
4. Modify the report to be actionable
5. Understand the decision workflow
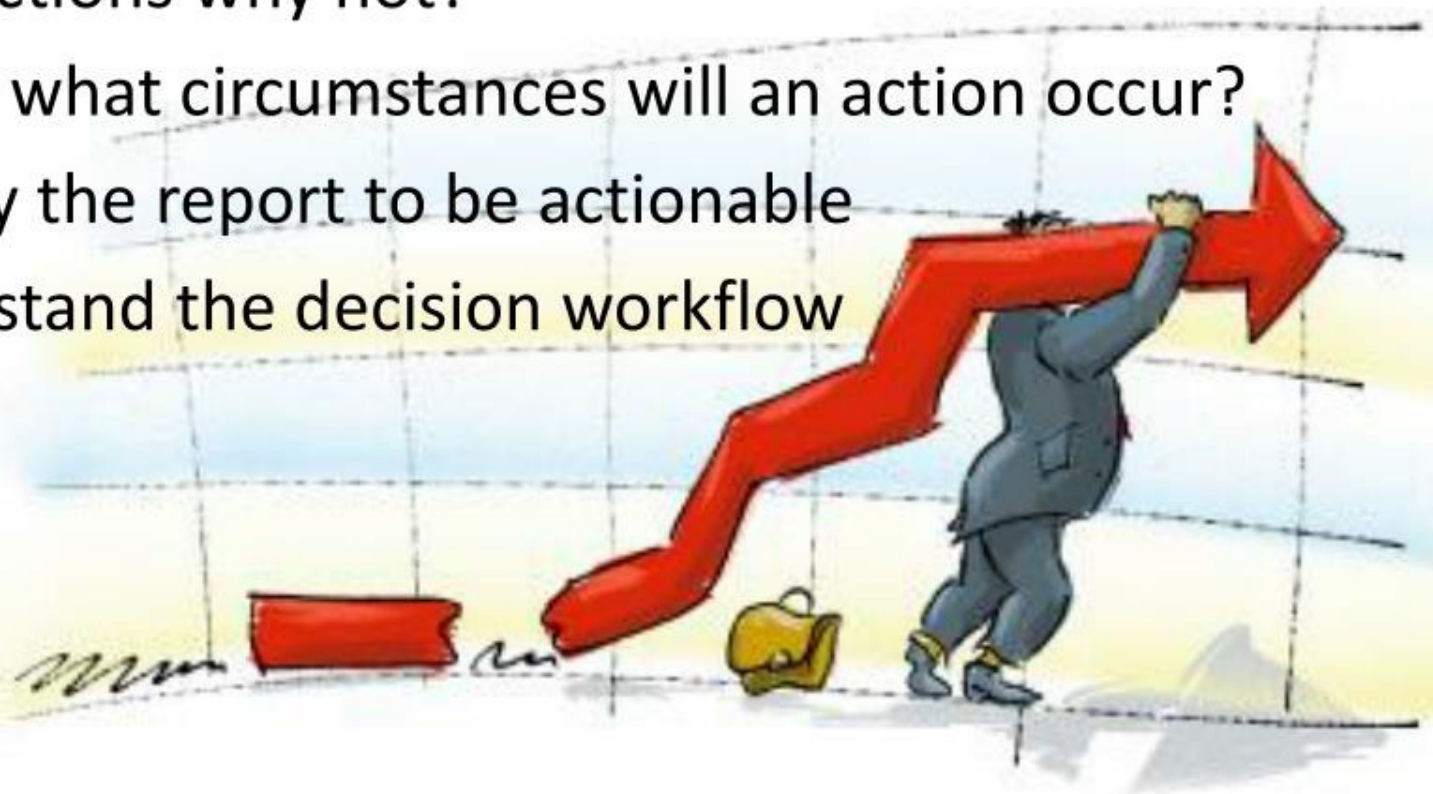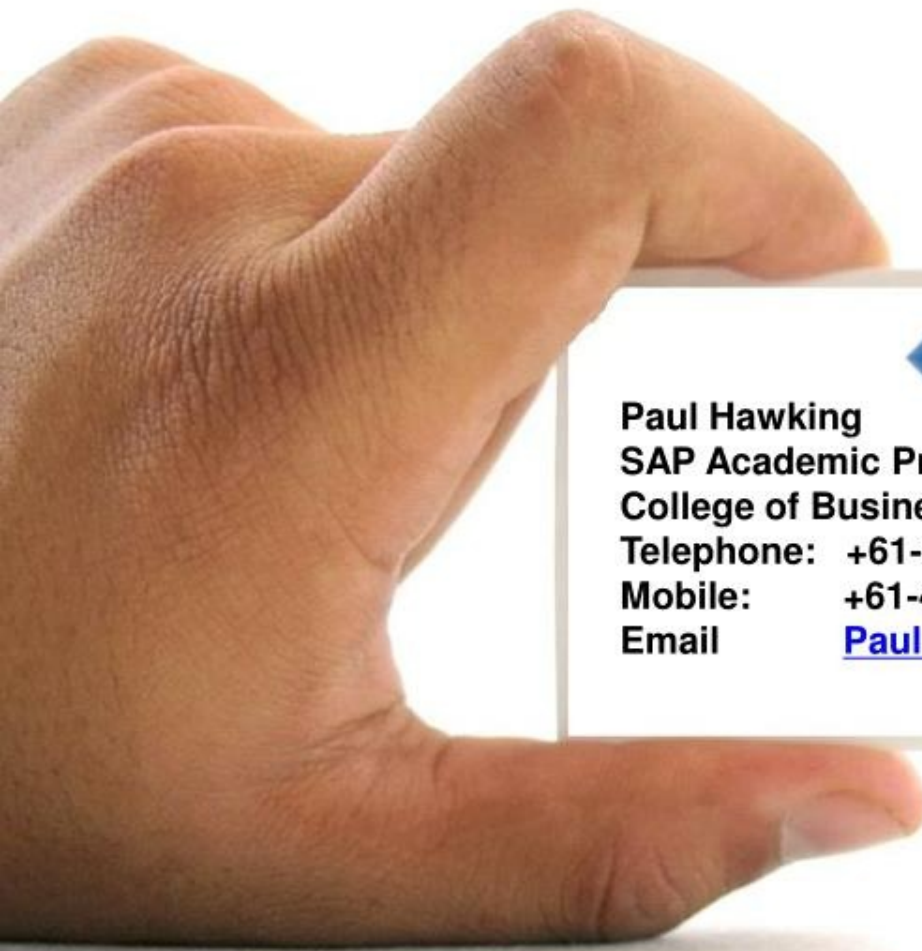
Gartner Maturity Model

Level 1: Unaware

- Total Lack of Awareness
- Spreadsheet and Information Anarchy
- One-off Report Requests

What to do:

- Identify the business drivers
- Get commitment and resources
- Understand the data sources, data quality, architecture and systems

Level 2: Tactical

- No Business Sponsor, IT executive in charge
- Limited Users - mainly managers and executives
- Data Inconsistency and stove-piped systems

What to do:

- Get funding for finance related BI initiatives from senior executives
- Define metrics to analyze specific departmental or functional performances
- Find out requirements for dashboards
- Make case for BI Competency center

Gartner Maturity Model

Level 3: Focused

- Funding from business units on a project-by-project basis
- Specific set of users is realizing value
- Successful focus on a specific business need
- BI Competency Center in place

What to do:

- Increase BI initiative scope across multiple departments
- Find BI investment and commitment for non-financial data such as sales and product
- Look for integrating the data and consolidate disparate analytic applications
- Create an enterprise wide metrics framework
- Expand the user base

Level 4: Strategic

- Establish a balanced portfolio of standards
- Business objectives drive BI and performance management systems
- Deploy an Enterprise metrics framework
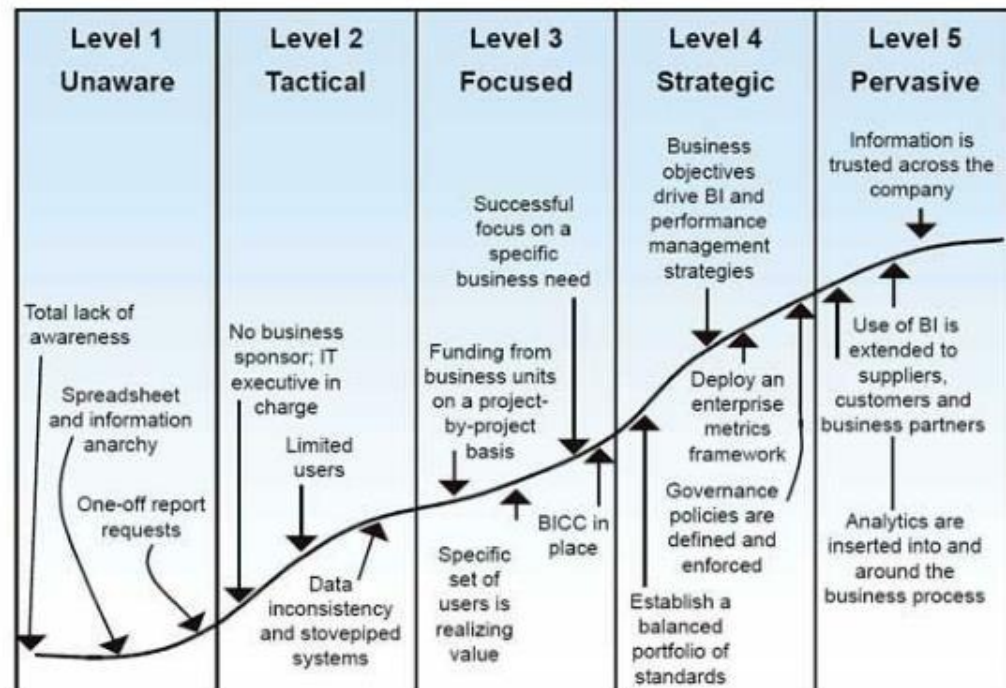- Governance policies are defined and enforced

What to do:

- Look to extend the BI application to supplies, customers and business partners
- Determine how to use BI to support evolving business objectives and strategy
- BICC should look at integrating BI Analytics with the business processes

Gartner Maturity Model

Level 5: Pervasive

- Use of BI is extended to suppliers and customers
- Analytics are inserted into and around the business processes
- Information is trusted across the company

Level 1 Unaware	Level 2 Tactical	Level 3 Focused	Level 4 Strategic	Level 5 Pervasive

Total lack of awareness

Spreadsheet and information anarchy

One-off report requests

No business sponsor; IT executive in charge

Limited users

Data inconsistency and stovepiped systems

Successful focus on a specific business need

Funding from business units on a project-by-project basis

Specific set of users is realizing value

BICC in place

Business objectives drive BI and performance management strategies

Deploy an enterprise metrics framework

Governance policies are defined and enforced

Establish a balanced portfolio of standards

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