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BUSINESS INTELLIGENCE: WHERE DO WE START?

Business Intelligence: Where Do We Start?
Written by Wes Trochlil and David Gammel

"'Business intelligence" is a phrase that businesses are hearing more frequently these days. For example, at the recent Washington Technology Conference, of the 50 sessions presented, there were three sessions dedicated specifically to "business intelligence" (and that doesn't count the other sessions that likely mentioned BI).

So what is business intelligence, and how should your company get started with it? From the vendors' perspective, business intelligence means software and services that they can sell to you to help you get more information from your existing data. But from our perspective, business intelligence is more than just software; it is a strategy with specific supporting management processes.

Our definition of business intelligence is simple: business intelligence is a management strategy for using data to make decisions.

But prior to implementing a business intelligence initiative, including before you buy all that shiny new software, we believe organizations need to have the following five elements in place:

- Clear outcomes
- A clear process
- Ensuring that key data is being captured
- Ensuring that data is accessible for analysis and presentation
- Actually applying the knowledge learned

Clear Outcomes
Before any business intelligence initiative is begun (or any project, for that matter), a clear set of objectives and outcomes needs to be identified. The organization needs to answer the question: "What to we hope to accomplish with this initiative?" Do not move forward if you get hung up on this question. You might as well feed your money into a shredder if you cannot define clear outcomes for the project.

Clear Process?
Once the organization has determined what they hope to achieve with their BI initiative, they need to ensure that there is a clear process in place to manage the initiative. This includes developing key milestones, identifying who should participate, and how decisions will be made as you move along.
Ensuring Key Data Is Captured?

BI is based on the analysis of data. Simply put, data that isn't being captured cannot be analyzed. How many times have you been in a meeting where someone said, "It would be nice to know such and such about our customers," and the rest of the group acknowledges that, yes, that would be nice to know, but we're not collecting that data? In order for your BI initiative to work, you have to be sure that the data you need, based on the objectives you identified, is actually being captured by the organization.

Ensuring Data Is Accessible?
Of course, even if the data is being collected, if the data is kept in a format or place that is inaccessible to those who need it, it is still useless. Data that is going to be analyzed for business intelligence needs to be stored in a place that is accessible (typically a file connected to a network) and needs to be in a format that can be analyzed by any business intelligence software you may be using.

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Actually Applying the Knowledge Learned?

The final prerequisite, and perhaps the most important, is that your organization must be committed to using the data intelligence it is developing. That is, once you've learned something, you must be committed to acting on that data, somehow altering current behavior to address what has been learned. As Peter Drucker wrote in The Effective Executive, "The greatest wisdom not applied to action and behavior is meaningless data." To put it another way, information that you don't act on, or information that is merely "nice to know" is not business intelligence, it is business trivia. Don't fall into the trap of collecting and analyzing data that will never change the way you behave.

Once you have these five prerequisites in place, your organization can begin its business intelligence initiative.

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About the Author

For more than 20 years, Wes Trochlil has worked in and with dozens of associations and membership organizations providing a range of consulting services, from general consulting on data management issues to full-scale, association-wide selection and implementation of association management systems. Follow Wes on Twitter @westrochlil. His website is www.effectivedatabase.com

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