



# Why Business Intelligence?

An Expert Review from InfoSTEP team

# Why Business Intelligence?

The importance of Business Intelligence in a Real-time World



## Business Intelligence

**Business intelligence (BI) is a broad category of applications and technologies for gathering, storing, analyzing, and providing access to data to help enterprise users make better business decisions.**

**Business Intelligence technologies provide historical, current, and predictive views of business operations.**

**Business Intelligence often aims to support better business decision-making.**

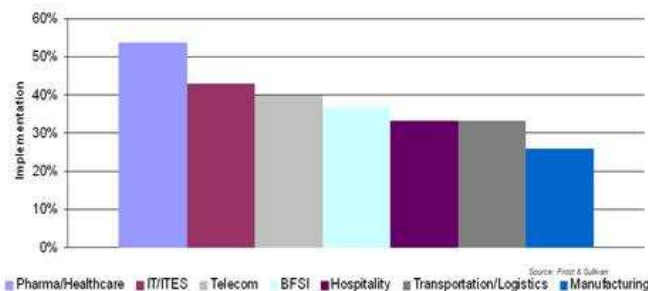
**'BI is growing, and its importance is being recognized by the increasing numbers of people who come into contact with it.'**

## The importance of Business Intelligence

Companies always come up with plans and roadmaps that will improve operations, increase profits, and streamline the process as a whole. Unfortunately 90% of companies fail to execute on their strategies, for a variety of reasons. At the core, a company's problems in executing probably stem from improper use of data due to lack of visibility.

A strategic Business Intelligence platform puts the right information in the right hands at the right time, and gives managers and executives the ability to test various scenarios for business spending and investments while monitoring important operational drivers of company performance.

BI Adoption Trends Across Verticals in Sample Chosen



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## BI actionable results:

### Better information leads to better business decisions

Better information would lead to better decisions and better ways of managing organizational processes. The information provision step best begins by simply asking a series of natural questions about the decision such as:

- What information is required to support the decision?
- How accurate does the information need to be?
- What's the most efficient process for collecting, generating, and supplying the information?
- In what timeframe does the information need to be supplied?

### Save Money and Improve Business Insight

Business intelligence strategy has taken into account of all sources of data used for business decisions: operational systems, departmental data marts, key spreadsheets, and unstructured data stored in text files, Web pages, and other corporate systems. Rationalizing the number of BI standards in the organization can result in significant:

- Lower Costs
- More Control and Better Quality Data
- A Foundation for Performance Optimization
- Better alignment with business users.

### Solve the Challenges of Exponential Data Growth

Business intelligence uses an organization's disparate data to provide meaningful information and analyses to employees, customers, suppliers, and partners for more efficient and effective decision-making.

### Defining Business Analytics and Its Impact on Organizational Decision Making

With the importance of the improvement of the decision-making process, organizations should turn to a provider that can offer a range of techniques and processes for the collection, classification, analysis and interpretation of data to reveal patterns, anomalies, key variables and relationships, leading ultimately to new insights and better answers faster.

### Unlocking the Business Value of Information for Competitive Advantage

Automated organizations with lots of information are not optimized organizations. Managing information within isolated silos restricts business innovation and increases IT costs.

## Business Intelligence Benefits

### Lower Costs

- Lower software costs through more coordinated purchasing and contracts
- Lower support and administration costs
- Less time and money spent on BI evaluations
- Lower user training costs
- Faster ROI for BI projects

### More Control and Better Quality Data

- More reliable data for decision makers
- Easier comparison of information across different departments, for one version of the truth
- Easier sharing of consistent information between different user groups, and with customers, partners, and suppliers
- More coordinated security, to minimize unauthorized data access

### Better Alignment with Business Needs

- More timely answers to business questions
- Easier cross-data analysis to reveal new revenue opportunities
- Improved cost visibility
- Better risk management
- Increased competitive advantage by better exploitation of the benefits of enterprise BI

### Performance Optimization

- Financial performance management
- Operational performance management
- Strategy management
- Governance, risk, and compliance



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## Business Intelligence advantages for Different Hierarchies

Business Intelligence assistance for different areas of organization's hierarchies.

### Advantages for CEO, CXO and Line Managers

- Delivering actionable information to the enterprise as operational business intelligence within specific line of business
- Implement a fully functional business intelligence application across network of users, over the web
- Comprehensive functionalities in one single and affordable BI solution
- Time to completion of BI deployment in a matter of weeks, not months
- Professional training assets and support for deploying BI to end-users

### Advantages for Business Users and Consultants

- Get immediate visibility into local market activity, customer attrition and critical business success parameters and metrics
- Enterprise reporting, dynamic analytical capabilities critical to advancing competitive initiatives
- Smart decisions enabled through Key Performance Indicators (KPIs) based performance program for executives and line of business management
- Ready to use tool with no programming efforts
- Wider, easier user take up with simple, intuitive functionality and use

### Advantages for IT Consultants

- Establish a self-service environment capable of delivering filtered business reports to end-users
- Centralized administration for all user management, system administration and monitoring activities through browser interface
- No client installations, zero footprint browser interface with high interoperability
- High performance business intelligence platform to accommodate growing user needs, increasing data volumes and simultaneous user access
- Profession support services and expertise for enterprise-wide deployment

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## Business Scenario Before and After Business Intelligence Implementation

Business Scenario before BI	Business Scenario after BI
<ul style="list-style-type: none"><li>➤ Lack of accurate analysis on the business data and poor decision making</li></ul>	<ul style="list-style-type: none"><li>➤ Quicker, accurate, fact-based decision making</li></ul>
<ul style="list-style-type: none"><li>➤ Unengaged business sponsors (or sponsors who enjoy little or no authority in the enterprise).</li></ul>	<ul style="list-style-type: none"><li>➤ Business sponsors are establishing proper objectives for the BI application, ensuring that they support and share the strategic vision.</li></ul>
<ul style="list-style-type: none"><li>➤ Unavailable or unwilling business representatives.</li></ul>	<ul style="list-style-type: none"><li>➤ Business executives and representatives are the visionaries with the most current organizational strategies.</li></ul>
<ul style="list-style-type: none"><li>➤ Lack of skilled and available staff, or sub-optimal staff utilization.</li></ul>	<ul style="list-style-type: none"><li>➤ Operations managers and staff make tactical business decisions.</li></ul>
<ul style="list-style-type: none"><li>➤ No software release concept (no iterative development method).</li></ul>	<ul style="list-style-type: none"><li>➤ BI provides cross-organizational applications and it is an iterative process in which resources, timelines, scope, deliverables and plans are continuously adjusted.</li></ul>
<ul style="list-style-type: none"><li>➤ No work breakdown structure (no methodology).</li></ul>	<ul style="list-style-type: none"><li>➤ BI provides and adheres to a plan with clearly defined methodologies, objectives and milestones.</li></ul>
<ul style="list-style-type: none"><li>➤ No business analysis or standardization activities.</li></ul>	<ul style="list-style-type: none"><li>➤ Business analysis and standardization activities are planned and executed successfully</li></ul>
<ul style="list-style-type: none"><li>➤ No appreciation of the impact of dirty data on business profitability.</li></ul>	<ul style="list-style-type: none"><li>➤ Knowledgeable BI analysts are employed who understand the meaning of source data and can ensure the data quality.</li></ul>
<ul style="list-style-type: none"><li>➤ No understanding of the necessity for and the use of meta-data.</li></ul>	<ul style="list-style-type: none"><li>➤ Valid business data tied to its meaning and all BI applications are consciously created and managed the meaning of each data element which is called as Meta-Data</li></ul>
<ul style="list-style-type: none"><li>➤ Lack of data Alignment with Business Needs</li></ul>	<ul style="list-style-type: none"><li>➤ Alignment of an organization around a consistent set of Key Performance Indicators (KPIs) and Metrics</li></ul>

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## BI answers for most vital questions in different areas

### Finance Intelligence

Business Intelligence budget supervision solution provides an opportunity, starting with an overall picture, to dig up the company's underlying detailed information.

- What is the income earned through our sales channels?
- Which customers or products are the most or least profitable?
- How does our contribution ratio develop over time?
- What is the development in the rest of our key figures/KPI?
- How has the composition of the balance sheet developed in the last year?
- Which customer should we offer the shortest period of credit? Which customers pay on time?
- How does the cost price for product X develop? Can a trend be seen in the price of components used for product X? How does this affect bottom-line?
- How can we further reduce our expenses while retaining productivity?
- Etc.

### Leadership Intelligence

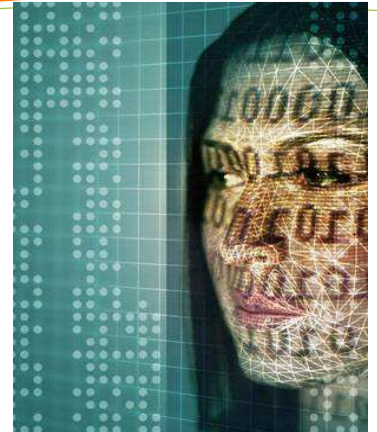
Provide complete insights into all elements of the business as fierce competition makes it necessary to keep an overview of the entire business.

- Which customers or products are most (or least) profitable?
- What are trends in sales of product x within the different regions?
- Which marketing campaigns have given the best results for least expenses?
- How does the cost price for product X develop? Can a trend be seen in the price of components used for product X? How does this affect bottom-line?
- How can we further reduce our cost while retaining productivity?
- What are our weak and strong points in our relationship to our partners?

### Operational Intelligence

Business Intelligence gives overview of costs throughout the Value Chain

- Which sub-supplier has a history of most faulty deliveries?
- How does the cost price on product X develop? Can a trend be seen in the price of components used for product X?
- What is the trend in production breakdowns in production line 5?
- How much does a high employee turnover affect the efficiency of production?
- What is the value of paying an employee experienced in production compared to hiring a new employee?
- Which plant or which product has the best efficiency?
- Which factors cause most product errors?
- How does overtime affect bottom line?



### Public Sector Intelligence

Makes demand on more efficient administration to great extends an improve activity and resources management.

- Which key parameters within the health sector can be improved to make budgeting more efficient?
- What is the cost price for one hour of home help?
- Which region within the housing area demands the least public assistance? What can other similar regions learn from this?
- Does the citizens notice a better service when extra money is spend on improving schools?
- In which areas can be saved without resulting in a considerable reduction in service for the citizens?
- Which effect has the opening of a youth centre had on crime levels in the area?
- Which department has had the highest employee turnover? How much can be saved if this figure is improved?
- Which department managers are best at getting the most out of the budget – what can they teach others?
- Is there a positive correlation between employee efficiency and training expenses? Which courses has the best effect?

### Sales Intelligence

Projects end to end performance of the organization

- Which customers or products are most or least profitable?
- Which products demand the most time to sell – and which has the lowest contribution margin?
- Which tendencies can be seen in the sales data?
- Which resellers should we spend most of our energy on?
- Which salesperson is best at selling a given product?
- Which salespeople are best at creating new contacts?
- Which salespeople are best at servicing the different segments?
- Who can other salespeople learn from?
- What is the size of orders in the pipeline?
- Which marketing campaigns have given the best result for least expenses?
- What is the best way to contact customer X, Y, Z respectively.

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## BI in Banking

- Historical analysis
- Performance budgeting
- Business performance analytics
- Customer Relationship Management (CRM)
  - Find customers
  - Get to know them and communicate
  - Ensure they get what they want (not what the bank offers)
  - Retain them regardless of profitability
  - Make them profitable through cross-sell and up-sell
  - Convert them into influencers and strive continuously to increase their lifetime value for the bank.
- Employee performance measurement
- Executive dashboards
- Marketing and sales automation
- Product innovation
- Customer profitability
- Regulatory compliance
- Risk management

## BI in Insurance

- **Sales, Marketing, & Channel Management** - Enables to monitor information from various distribution channels and identify which customer are more profitable.
- **Agent Performance Analysis** - Facilitates to identify cost saving opportunity and increase yields.
- **Actuarial and risk management** - Evaluates trends in the risk and helps to actuarial and risk analysis across the enterprise.

## BI in Financial Services

- **Operational Reporting** - Enables reports that identify areas in need of streamlining and helps in maximizing operational efficiency by increasing and maintain the profit margins throughout the entire organisations.
- **Consumer Credit Management** - Facilitates centralized administration of the vast amount of consumer data. Helps to analyse consumers' credit activities to discover most profitable areas and prevent defaulters.

## BI Benefits in BFSI

- Increase value of investment to users.
- Provide members access to their insurance details while playing role of business performance measurement tool for executives.
- Helps insurance providers improve customer satisfaction and boost investor confidence while helping with cost control.
- Get the power to perform sophisticated analyses.
- Enhance customer profitability, improve customer service and reduce operating costs and risk.
- Support for data schemas with large number of complex elements with data drilling at any level of hierarchy.
- Robust and full-proof architecture ensures complete protection of customer's financial data.
- Increase product and customer profitability and reduce business risks.
- Leverage investment in your existing system by aggregating data from across diverse business lines from all regions like employee performance, risk assessment, branch wise profitability, credit performance and customer relationship.



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## CONCLUSION

Timely access to BI has never been more important. Sophisticated use of BI can help organizations reduce costs, plan inventory, identify sales and marketing opportunities, optimizing pricing and, ultimately, increase revenues. For many companies, aggressive and real-time BI activities can make the difference between winning and losing to the competition.

Business Intelligence software which is also known as BI application has started becoming the backbone of planning and decision making for many companies based on the history and external data gathering. A company can analyze not only the data within the organization but can also perform market research by gathering external data from web interface to analyze the trend with the help of Business intelligence software.

***A Strategic Business Intelligence platform puts the right information in the right hands at the right time.***

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## About InfoSTEP

Based out of Santa Clara, California, InfoSTEP is focused on providing end to end Business Intelligence solutions to its clients. The company is established in 1998 and has been working with different verticals. Through its unique Value Innovation approach, InfoSTEP strives to provide highest value at lowest cost to its customers. InfoSTEP's Center of Excellence (COE) for BI does proactive and reactive research in several BI tools and technologies to provide best of breed frameworks and implementation methodologies to its customers. InfoSTEP is an ISO 9001:2008 certified company; certified by ANAB and NABCB. For more details about the company, please visit [www.infostep.com](http://www.infostep.com)



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