

## IT'S CALLED BUSINESS INTELLIGENCE FOR A REASON

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### GlobalETM Podcast Transcript

Recorded and released in November 2009, this podcast was produced by Enterprise Technology Management magazine (ETM), a global monthly report for CIOs and IT executives. ETM and its website, [www.globaletm.com](http://www.globaletm.com), provide subscribers with insight on cutting-edge enterprise-level technology, IT business and IT strategy. ETM and [globaletm.com](http://globaletm.com) offer independent information and vendor thought-leadership – and help top IT executives develop smart strategies, make intelligent purchasing decisions, and effectively and efficiently manage their organization's projects.

**GlobalETM:** How do you make the data you already have work for you? Bill Dunn, president of Dunn Solutions Group says it's easy if you have the right strategy and the right tools.

Bill, with virtually every big software company offering business intelligence tools today, and with each taking a different marketing angle, how is Dunn Solutions Group positioning business intelligence?

“Business intelligence is not just the technology – it's actually a key part of your **business strategy.**”

**BD:** We have a new marketing initiative, and are focusing on business intelligence – the business side of it. The underlying concept is that business intelligence is not just the technology – it's actually a key part of your business strategy.

With business intelligence, organizations of all sizes can turn data into insight, which helps them make informed decisions, find hidden opportunities, and measure and manage performance.

The big one is empowering people with the information they need to do their jobs better – knowing the truth about your business, versus gut feel, allowing you to make predictions, identifying inefficiencies, and sharing important knowledge that everyone believes.

**GlobalETM:** I heard you say “identify inefficiencies” in your answer. Today, businesses of all sizes are working hard to cut costs, but how can BI save money and drive efficiency in an organization?

**BD:** There are about five different ways to drive efficiency using BI. The first one, looking deeper for hidden costs and waste, is about being finding cost-savings beyond the expenses that you cut first. The problem comes when the obvious things are gone, and those that are left are, well, not obvious. How do you find those hidden costs and wastes?

You can do this by leveraging business intelligence. You can extract from your core systems information about how you're spending money, which vendors you are using, how much you are paying them, and so on. For example, you can consolidate that information from multiple divisions of an organization that may be spending money with a vendor, find out that you're spending more with a particular vendor, and perhaps negotiate a better rate. A lot of information is tied up inside of back-office accounting systems – they're really processing the information – but it's the frontline people that are analyzing it.

This brings me to my second point, which is tying the front office to the back office. If you free up the information that's in your accounting system and make it available to front-line managers, you can change the behavior of the people making purchase decisions.

Take a simple example like an office manager who is ordering office supplies. They do this without really understanding the impact down the road. But if that person gets a report on a monthly basis that tells them they already have 4,000 Post-It Notes, that may change their behavior, because they're normally just on re-order.

If they have that information, they can re-evaluate how they're going to spend their money. Of course, this could apply to manufacturing and even staffing, so getting information out of the back office and into the front office is very important.

The next point is learning more about your customers. We all want to say that the customer is king, but the truth is that not every customer should be treated like a king, and most organizations don't know who their best customers are.

So who should we treat like a king? BI will be able to help us there too. If we can analyze our customers and understand which ones are contributing to our profitability, we'll not only be treating those customers as kings, but, in fact, turn customers that are costing us money over to our competitors. I know that sounds odd, but sometimes you have to get rid of some of your customers in order to focus on the better customers, and BI will help us do that.

Now let's talk about optimization of resources and operations. We need to apply computers to help do things quicker. That's really what we've been saying in IT for the past 30 years. Up to now what we've been doing is taking processes that are manual and automating them, but without automating the decision-making. BI can help automate some of the obvious decisions that may be bottlenecks in the organization.

For example, if you're in the insurance business you could use predictive analytics and BI modelling for 70 percent of your approve/disapprove transactions, leaving you to focus on the 30 percent of the transactions that really do need human invention.

The last one is avoiding ongoing leakage. People spend a lot of energy in a downturn identifying these things, and then, over time, they forget about it. What BI will do is automate this into a process, which makes it harder to forget – it's on a dashboard that you see every day. BI lets you take these ideas and then automate them in simple ways.

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“BI, the way we define it, is the **proactive** use of knowledge.”

**GlobeETM:** Let's pause here to make sure our audience is with us. The definition of business intelligence has changed as the technologies behind it have changed – so how does Dunn Solutions Group define it now?

**BD:** From when we started, our feeling about BI is very different today. We got into the BI world in the mid-1990s, and at that point BI meant writing and distributing reports. But BI today is much more than that.

BI now, the way we define it, is proactive use of knowledge. So if we are able to get the information, assimilate it, score it, and then push it out to those who need it on a timely basis, and change their behavior in a positive way, that is business intelligence.

**GlobeETM:** From a business point of view, what are the characteristics of a good business intelligence solution?

**BD:** I'm a big evangelist of information being distributed throughout the entire organization. A lot of the time we hear customers talk about the CEO or VP getting an executive dashboard, and this is important – those people are making strategic decisions. But I think that misses the true promise of BI.

Information needs to be made available at all levels of the organization, not just upper management, and BI needs to be integrated into core business processes on a daily basis.

Credit decisions are a great example of integrated BI. A number of organizations have a credit decision in less than five seconds. That is a strategic decision made by a line manager that has a whole bunch of BI behind it.

BI helps grease the wheel of commerce. If you know about your vendors, and can make strategic decisions quickly without having to do a lot of research each time, you can move your company forward.

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**GlobalETM: Let’s now look at some solutions for our audience – what are the key enabling technologies Dunn Solutions Group utilizes in solutions?**

**BD:** To get the BI vision accomplished, we don’t need to build things from scratch. We are very lucky to be in an area where there’s a lot of great technology we can leverage. For instance, Dunn Solutions Group is a SAP BusinessObjects Gold Partner, and we leverage many of SAP’s tools and products to accomplish our BI initiatives.

Let me take you through what I would consider to be the core tools and technologies.

At the very heart is the database. You can use any solid database engine – Oracle, SQL Server, UDB, even MySQL – but having the database is not enough. To have an effective BI solution you need to work with people that know how to create the data model that will hold your information.

Then you need to get the information out of those core transactional systems and into your data warehouse or data mart. In the past, people used to write code to do this, which is very hard to maintain and upgrade, plus it doesn’t give you any information about what’s happening inside those transformations. So the second thing you want to do is get an ETL tool.

For instance we use SAP BusinessObjects Data Integrator – a great product for getting data from the source systems to the destination. As a by-product of that, if your data is not the cleanest data in the world, consider using the Data Quality tool.

Once you’ve got your data warehouse built, you want to allow people to access information in a very easy and intuitive way. To do that you should leverage an ad hoc querying tool that is web-based, like SAP BusinessObjects Web Intelligence, so that IT doesn’t stand between the users and the data.

You also want to standardize on your reporting tool. Once people learn how to use it, there will be a higher adoption rate, and your BI initiative will be much more successful.

Finally, for people who need to look at information at a glance, you need dashboards. We like to joke about them as, “If the dial is green, you can go golfing today” dashboards. These are what you want to put in front of people that have the KPIs as to how their business is doing. Then you want to start thinking about the next level and about looking ahead versus looking in the rear-view mirror.

**GlobalETM: How are BI solutions for mid-market companies different than those for huge enterprise level organizations?**

**BD:** Smaller organizations need exactly the same things as larger organizations. Until very recently that was difficult to do because the tools and the technologies were so expensive that only four to five hundred companies could afford them.

I'd say there's good news for mid-size organizations: The same enterprise tools that are available for larger companies are now available, and priced appropriately, for smaller companies.

We've been working with SAP and some other vendors on delivering these types of tools to the mid-market so they can benefit from BI, just like larger organizations.

The one thing that smaller organizations need to know is that BI doesn't need to be done as a big-bang project. We break many of our projects into bite-sized chunks. You can do a 90-day project, deliver value, and then deliver more value maybe six months later on an engagement that adds to that.

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**GlobalETM:** Let's explore that a little more. Why is it better to break a BI initiative into pieces? And what is the best way to go about it?

**BD:** I think that most mid-market organizations don't have the option to do the whole thing at one time. They generally don't have the budget, and may not have the time to do a complete BI initiative in one shot.

What I suggest they do is start with the low-hanging fruit. There's a lot of value in doing a small BI solution that's architected properly and can add value right away. The nice thing about BI, as opposed to other types of IT initiatives, is that it can grow.

Say you start with a departmental solution. If it's architected properly, you can add additional departments. And before you know it you've got an enterprise solution – but you didn't have to start that way.

A big part of being successful, especially in the mid-market, is partnering. Look at the top vendors in the industry, partner with software vendors with the right solution and who are BI-focused, and partner with a consulting organization that can help you get there without having to figure it out by yourself.

Looking back, most IT organizations feel that the value they get out of partnering with the right consulting firm and buying the software far exceeds any savings from doing it themselves. And the long-term value is that they can build on this solution.

We have a client that literally spends \$25,000 every six months on its BI initiative. That's not a lot of money for the value they're getting while they continue to build on their initiative. Over time, they're going to have a complete BI solution they can deploy to their entire organization. But in the interim, they're getting value out of the solution they're deploying today.

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**William Dunn** is president of Dunn Solutions Group, an information technology consulting firm with exceptional strategic experience, design skills and technologic expertise. Focused on the business intelligence, application development and web/portal spaces, Dunn Solutions Group delivers services worldwide through offices in Chicago, Minneapolis, Raleigh, Charlotte, Fort Lauderdale, and Bangalore, India.

Dunn founded Dunn Solutions Group in 1988. Over the next 21 years, the company grew from a small boutique firm to a 75-employee consulting firm that serves Fortune 500 and aggressive, growing companies throughout North America. Today, the company is owned by Cranes Software International, a Bangalore, India-based software and services corporation.