

The Business of Business Intelligence

E-business systems provide companies with access to a vast collection of timely and useful information. Unfortunately, most companies do not know how to make use of this information in a timely manner. Business-intelligence applications enable companies to leverage this information quickly and strategically throughout the company and across the entire value chain.

The Internet and e-business make effective business-intelligence systems even more critical. In the Internet world, business decisions need to be made in minutes rather than weeks. Managers cannot wait for reports to be compiled and distributed before they realize a Web promotion is not effective. By then, the entire market may have disappeared. Business intelligence draws on e-business data and all other company information to instantaneously perform a broad range of analyses to streamline and automate strategic analysis.

By automating data compilation, data analysis and insight dissemination, business intelligence makes the entire company more flexible and responsive to rapidly changing competitive dynamics and shifts in customer behavior. For employees it means proactive prediction of future business trends and opportunities, and helps them better understand the company's relationship with its customers, suppliers, and partners. Business intelligence provides the immediate information and analysis necessary to compete at Internet speed.

The benefits of business intelligence extend to customers, suppliers, and partners. Business intelligence enables the company to transact business with these parties more efficiently and effectively. Likewise, business intelligence can empower customers, suppliers, and partners to work better with the company. This approach augments customer-retention strategies, while lowering the costs of doing business for all parties involved.

One of the most effective uses of business intelligence is within the enterprise, disseminating key business metrics to knowledge workers and information stakeholders at every level. At the management level, delivering earnings per share (EPS) forecasts to senior executives during the course of a fiscal quarter ensures there are no late surprises. Likewise, at an operational level, producing support statistics by product, customer, and employee helps you streamline your service operations and drive customer satisfaction to new levels.

Customers can also benefit from the sharing of information. A customer portal provides a view that analyzes the company's performance with respect to that customer. This makes it easier for the customer to see how effective the company has been in meeting delivery schedules and product quality objectives. Perhaps more importantly, providing access to this information sends a powerful signal to the customer base that the company will live up to its commitments.

Business intelligence can help improve the performance levels of suppliers by providing a view from the supplier portal that evaluates their performance based on key metrics. These metrics can include competitiveness of bids, ease of ordering, timeliness of delivery, accuracy of invoicing, or any other important criteria. Providing suppliers with these insights typically creates for them powerful incentives to improve performance where necessary.

As companies consider the implementation of business intelligence solutions, they need to identify the types of information they want to analyze. Are they concerned about analyzing information within one system or across multiple enterprise solutions? Does their enterprise-software vendor offer pre-packaged business intelligence solutions that might enable a company to get up and running quickly? The hidden cost of a business intelligence solution is often found when the data mapping takes place. If a solution exists that has pre-defined data marts, it can save your company time and money. Companies should also verify that a solution can be easily extended as their future needs change and grow.

Business-intelligence solutions enable you and your employees to make better, more strategic decisions that will positively impact your company. They also enable your company to strengthen its partnerships with customers and suppliers, which, in return, makes your business even stronger.

L. George Klaus is chairman, CEO and president of Epicor Software Corp., Irvine, Calif. He can be reached at georgeklaus@epicor.com.