



Business Intelligence – Addressing Challenges for Organizational Adoption

POWERFUL INSIGHTS

The availability of relevant performance information and its supporting business intelligence (BI) platforms continue to be extremely important to organizations. In 2011, according to recent reports from market research firm Gartner, BI ranks number five on a list of the top 10 technology priorities for chief information officers (CIOs), and the global BI software market is forecast to grow at 9.7 percent to reach \$10.8 billion.¹ Much of the continued focus on BI comes from its potential to reduce overall costs and increase organizational efficiencies. Managing operations in complex environments can be the difference between survival and failure in a challenging business climate. As Charles Darwin said, “It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change.”

Issue

With the benefits that BI offers an organization, it seems logical to expect most organizations to adopt and enable BI. However, BI is not a simple process. It requires careful analysis of organizational strategy and value drivers, and alignment of reports and metrics to measure against these factors. It also requires a carefully planned mix of functional skills along with technology enablers. Organizations must have a clear vision of their value drivers prior to producing reports. Otherwise, they risk flooding employees with information that is not relevant to their jobs and responsibilities. In order for BI to be effective, the right information from the right sources must be delivered to the right employees at the right time. This requires proper training, coordination and execution.

Challenges and Opportunities

Adoption of BI means potentially relying on a single source of critical information for key decisions. This often is a huge paradigm switch for managers accustomed to obtaining information directly from transactional systems or a number of different information silos. Additionally, this can mean that managers must learn new technologies and processes for acquiring data and analyzing results.

All of these factors usually lead to challenges in the overall adoption of BI. However, there are even greater opportunities with the advent of new BI technologies. Volumes of information that previously were either too large or not readily available for analysis can now be explored and shared more quickly between different levels of the organization, empowering line managers and employees with greater visibility into value drivers. In addition, information from disparate sources can be combined to provide management with a more complete picture of the business.

Our Point of View

In today’s competitive business climate, it is more critical than ever for organizations to have information sources available to effectively measure success in executing against strategy. Margins on manufacturing and other businesses have become razor-thin, thus companies must undertake careful analysis of profitability for products and services on a real-time or near real-time basis. Companies can no longer afford to rely on historic measures or lagging indicators to view their operations. Instead, they must look continuously at leading trends in order to correct issues before they have an opportunity to impact profitability. Since all employees must take an active role in managing both costs and efficiencies, they must have the information to empower them to manage these new responsibilities.

Protiviti sees BI as a fundamental building block for organizations looking to succeed. Therefore, they should carefully examine existing strategies and determine the core elements creating value within the organization. They also must build the capabilities within IT to help deliver automated BI solutions for measurement.

In addition to value creation, risk also is a key factor. BI should be used to elevate the visibility of key risks threatening the organization, along with measurements for risk mitigation strategies. ➤

¹ Gartner Inc., “Gartner Forecasts Global Business Intelligence Market to Grow 9.7 Percent in 2011,” February 18, 2011, <http://www.gartner.com/it/page.jsp?id=1553215>

Companies should carefully craft their BI solutions with end users in mind. They should provide intuitive user interfaces and clear training. End users should be encouraged to utilize the BI capabilities available to them. They should not be allowed to rely on historic sources that may no longer represent the most accurate stores of information.

Finally, quality assurance activities should be performed regularly against the BI environment to ensure accurate information is being provided in a timely manner to the user community. Anything inhibiting user acceptance of BI must be addressed promptly, as this can directly impact overall success.

PROVEN DELIVERY

How We Help Companies Succeed

Protiviti's Performance and Information Management (PIM) practice focuses on helping companies deliver on all aspects of the BI lifecycle, from strategy alignment through technology delivery. We help organizations assess the current state of their reporting solutions and provide expert guidance on how to improve information delivery.

Our professionals have training in all major BI platforms along with deep industry knowledge. We understand that all organizations are unique and can help you with your specific challenges throughout the BI adoption process.

Example

A large insurance company was looking to gain greater visibility into its financial performance. Though the company had a great deal of data, it was unable to correlate it in order to understand the results of its operations at the customer and product level. The company had too much data and not enough information.

Protiviti's PIM team worked with management to determine key reporting requirements for the organization. Armed with that information, our team was able to align both process and technology to obtain the required data and transform it into much-needed and value-added information. By the end of the engagement, our client was able to analyze performance and profitability at levels previously not available to the organization.

Contacts

Jay Thompson
+1.404.926.4313
jay.thompson@protiviti.com

Matt McGivern
+1.404.926.4346
matt.mcgivern@protiviti.com

About Protiviti

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