



FEATURE



Business Intelligence: Where Do We Start?

[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:

1. Clear outcomes
2. A clear process
3. Ensuring that key data is being captured
4. Ensuring that data is accessible for analysis and presentation
5. 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 do 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.



Actually Applying the Knowledge Learned

The final prerequisite, and perhaps the most important, is that your organization must be



FEATURE

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.

About the Authors

Wes Trochlil is president of Effective Database Management, LLC in Hamilton, VA. For more than 17 years, Wes has been helping businesses move their data management from a cost center to a revenue generator. Wes has written for and been quoted in SearchSMB.com, *eWeek*, *Executive Update*, and many other magazines, and has appeared as an expert on CRM issues on Microsoft's non-profit TV program. You can

reach Wes at wes@effectivedatabase.com or at (540) 338-9404.

David Gammel is an online media consultant who helps his clients to create value for themselves and their customers via the web. He has been quoted in the *New York Times* and the *Washington Post*, and speaks internationally to business groups. You can reach David at (410) 742-9088 or david@highcontext.com.

EmploymentCrossing is the largest collection of active jobs in the world.

We continuously monitor the hiring needs of more than 250,000 employers, including virtually every corporation and organization in the United States. We do not charge employers to post their jobs and we aggressively contact and investigate thousands of employers each day to learn of new positions. No one works harder than EmploymentCrossing.

Let EmploymentCrossing go to work for you.