

# **BUSINESS INTELLIGENCE AND PROCESS EFFECTIVENESS**

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## **Introduction**

Business processes define the way companies line up their resources to achieve their objectives. They describe how an enterprise creates value for its customers, suppliers and employees and the roles of the company stakeholders in each step of the process. The design and execution of the business processes defines univocally the company's identity and behavior in the marketplace.

Business Intelligence (BI) tools and techniques provide managers with the knowledge required to understand the state of their business. A good BI implementation using past, present, or projected performance metrics, enables each manager to know how far the company is from achieving its goals. With this knowledge on hand, managers can make the decisions required to drive the business toward the fulfillment of the objectives set in the company's business plan.

## **Getting the Right Information**

What information does a company need to thrive and succeed in today's fast pace business environment? At all levels, employees need to be aware of the key business facts related to their roles in the company, and how these facts deviate from the planned or forecasted values. Because the volume of information available can be overwhelming and not always relevant to the role, the information delivered needs to be personalized by role.

To facilitate the delivery of actionable knowledge, we need to integrate data from the different processes. From marketing to sales, from manufacturing to procurement and from projects to human resources, all the company business processes should ultimately be implemented on a common data model. This means that the customer lead information captured by the marketing campaign is the same that will be used for quotes, contracts, invoices and shipping unless otherwise directed. BI software can compare this information with trends, industry standards and competitive data, thus providing the executive with complete, clear and actionable insights about the effectiveness of the company's marketing and sales teams.

## **Business Intelligence and Business Processes**

A business process is a set of steps pertaining to a standard functional cycle of the company that takes one or more kinds of input and creates an output that is of value to the customer (internal or external). These activities are not uniquely identified with one department or line of business, but they usually span several organizational units

Business processes change quickly in today's business environment, however every organization adheres in some way to the basic business cycle: developing a plan, delivering goods or services, and reviewing the organization's performance in a given cycle. All organizations need a physical infrastructure and intellectual capital to provide their value in the marketplace, people to plan, manage, and deliver, and systems to manage the information flow -- which parallels the delivery flow -- to track customers, suppliers, material, orders and other components of their businesses.

People, information and resources work together through business processes. In many companies, however, the processes are ill defined and poorly documented. The result is that work done is performed in an unstructured environment where the activities are managed by people who have been there a long time and know how to do their jobs because that's the way it has always been done, frequently supported by legacy applications that are hard to maintain and adapt to the new requirements of the marketplace. In global organizations, similar activities can be performed in a different way depending on the location, which leads to accounting inconsistencies and performance inequalities.

Companies need therefore to define a standard business process model and implement their key business flows to achieve repeatability, flexibility and company wide consistent results. The processes should be streamlined to manage efficiently key aspects of the company's business cycles, and the process documentation should be always available on the Web to the user to provide just-in-time training and to foster operational consistency.

Business Intelligence solutions allow companies to establish a performance management framework for targeting, measuring, notifying, and adjusting their processes to comply with performance objectives. To that end, the company should define Key Performance Indicators (KPIs) to turn strategic goals into measurable indicators. BI software enables a rapid determination of the KPIs for a certain moment in time. Once a particular area of concern has been identified through the value of a KPI and the process associated with that KPI, managers can focus on all of the activities and the people contributing to that particular measure of

success. For instance, if a rate of improvement of shipments-on-time is defined as a KPI and too many shipments were unacceptably late, the manager can follow the process to find out where the problem lies, who is responsible, and what needs to be done to improve the shipping performance of the company.

## **Conclusion**

Companies should define clearly their business processes and their possible changes. Business intelligence applications can foster insights on the effectiveness of a business process, allowing the company to take the appropriate action early enough to maintain and increase its competitiveness in the marketplace.