



A vertical, close-up photograph of a laptop keyboard on the left side of the page. The keys are slightly out of focus, with some characters like '01' visible. The lighting is soft and blue-toned.

The Business of Intelligence

Never has the adage “knowledge is power” been truer than in today’s business environment. With a world economy bedridden with the flu, we are all after information that helps us take the right decisions.

The world financial crisis has business leaders wondering how to come out the other end ready to dash into the revival period. But to get from point A to point B, businesses need to know where they are at now. So it is essential to define properly the state of point A: what do these leaders need to know now to help them reach their destination? They would also need the insight to rightly assess what point B would be like.

To that end, how good the information that is being received and distributed throughout the organization is and if it really reflects the current state of affairs is vital for decision-making. There is a well-defined framework that includes processes, governance and technology that enables business managers and leaders to achieve a panoramic view of their business and conduct the necessary analysis to make informed decisions: Business Intelligence.

Business Intelligence

Business Intelligence (BI) is currently the buzz word around the Middle East region as it is around most of the globe. The term BI refers to a framework of processes, people, data and technology that supports extraction, analysis and presentation of information (dashboard) that helps decision-making at multiple levels within the organization.

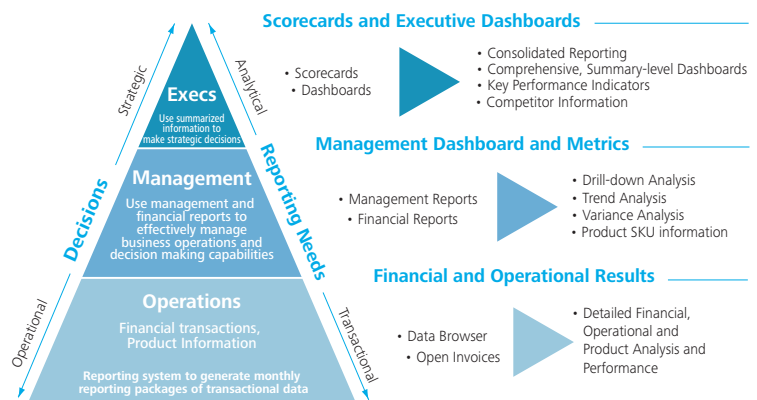
A dashboard should, at the very least, allow the user to access the relevant information, be able to drill down, identify variances, translate to action and provide insight. More importantly, it should have a user-friendly interface.

The figure below shows a high-level organizational structure with the type of information required at each level.

The basis for a BI solution is a business strategy, coupled with a business plan, which are communicated throughout the organization. Based on this strategy, the performance of each functional area is defined as well as that of each individual.

As the figure below shows, there are typically three organizational layers that are both, producers and consumers of data. The dashboard at the executive level allows the leadership to have a consolidated view of financial and operational metrics with the ability to drill down. The middle management will be more focused on dashboards that revolve mainly around the functional areas they oversee. Finally, there are tactical daily metrics that should guide team activities and corresponding priorities.

Imagine agent 007 without ‘M’ or ‘Q’ and the support system (including the slick car) that keeps providing him with data.



(Source: Deloitte)

Approach

As in any enterprise initiative, BI implementations do not differ much in terms of the sequence of phases whereby one goes through vision/plan, design, build, test, and deploy. However, there are several elements that are specific to the successful implementation of BI solutions.

1. Having a clear business strategy sets the tone for the BI solution particularly the Key Performance Indicators (KPIs) required. In fact, the BI strategy ought to be based on the business strategy.
2. Consider process, data and organization in addition to technology as you embark on a BI implementation plan to assess readiness.
3. Follow a phased approach with multiple releases of the solution. In other words, divide your scope to manageable projects and deliver each element in the scope based on an established prioritization rule.
4. Think big. There is nothing wrong with that. However, establish an approach and timeline that are pragmatic.

Regional Considerations

A significant portion of economic activity in the Middle East is done by family-owned businesses whether in the traditional family-oriented governance structure or a formal holding company structure. The issue of succession in a family business is usually a challenging process that requires, amongst other things, a clear visibility of the current financial and operational state of the company to help in the planning and division of ownership among multiple siblings. In addition, with the increase of globalization, a competitive environment is forcing this type of business to reflect upon their current state and decide on business consolidation and/or divestiture to remain lean and competitive. For all of these scenarios, a clear framework consisting of a business strategy, a business plan and a reporting mechanism is of the essence to facilitate action.

Additionally, the pursuit of capital to finance rapid growth that has instigated the proliferation of new stock exchanges and trading activity in the Middle East is aimed at both local and global investors. Armed with metrics that are based on international standards and recognized throughout the investment world, Middle Eastern companies make themselves more attractive to investors.

Similarly, in the current tight credit environment, the subscription of loans to financial institutions will be competitive, demanding a data a little stronger than a usual business case. The strength of the portfolio will depend heavily on the extracted, analyzed, and consolidated data.

Finally, time and again we hear executives complaining about the time (and sometimes the pain) involved in extracting data and converting it to meaningful actionable metrics. A proper BI solution will ease this time consumption and pain to allow executives, middle managers, and team members to focus on value creation.

The Qs and Ms of BI

The right information, given to the right user, at the right time is essential to leading a successful mission. Imagine agent 007 without 'M' or 'Q' and the support system (including the slick car) that keeps providing him with data.

The set of metrics established for the development of a BI solution should feed back into the individual performance system that each employee is evaluated against, top down. Once this is established, you will have an integrated enterprise performance system. In fact, you may even wish to have your BI dashboard to look just like the one in 007's car.

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