Remember: Business is the First Word in BI - Business Intelligence

Business executives often feel their lack of access to insightful analytics limits them in their pursuit of the business triple-crown: increasing profit, improving customer service and running the business more effectively.

A BI (Business Intelligence) app is the obvious answer – or is it?

"We need a BI tool." This is typically how the BI conversation starts. First, it's important to look at who made this statement. Was it someone in the IT department or did it come from a company executive.

For our purposes here, let's assume it came from the executive suite even if it was someone from IT who planted the seed. After all, if the executives don't truly feel the need, the project is doomed to failure.

Big Data vs. Actionable Intelligence

Unless you've been living in a vacuum for the last few years, you're all familiar with the ubiquitous buzz word Big Data. Just for kicks, let's call it Big Bad Data since we all know that size does not always matter – it's the quality of the data that counts.

IT departments have been collecting and storing "bi-zillions" of data points for several years, mostly from ERP (Enterprise Resource Planning) systems and CRM (Customer Relationship Management) apps.

Unless your company is the exception to the rule, some (or even much) of that data is erroneous. While the number of data entry and data collection errors has lessened over the years, those gremlins are still lurking inside all those data sets just waiting to cause trouble. The oft heard warning, "we need to clean up the data before implementing a new system," may or may not be a delay tactic.

Rather than rushing into a data clean-up project, or even starting a technical evaluation of the many BI tools available on the market, company executives themselves must start at square one. Every project, IT or not, must start with a question. What do we need to achieve with this initiative?

If the answer is not something like: "We want to become more profitable by gaining the ability to make better decisions based on analytical data," a BI project should not be launched.

Define the Value Objective First

So, you've answered the big question of the overall objective, but don't launch yet. Next, you need to get more specific in defining the business case(s). It is far more relevant to build your BI capability around current and projected business challenges as opposed to just deploying a technical reporting or analytics enabler.

Using a business-driven approach as opposed to a technology-driven mandate enables the organization to focus on creating new or incremental business value.

Implementing business-driven BI involves much more than just looking at ingenious interactive dashboards and technology vendor demos.

Make BI a business-oriented exercise that brings clear strategic focus to the forefront and use it as a vehicle to effectively implement change in the organization through more analytics-powered decision making.

Technology should not over-power intuitive business insight, but should add another dimension to it.

Using our approach, the BI technology platform selection should be delayed until the business value potential is fully understood and the business organization can clearly articulate, quantify and prioritize their needs beyond generic statements such as "we need a consistent view of all product data." Such statements are not actionable, they just sound nice.
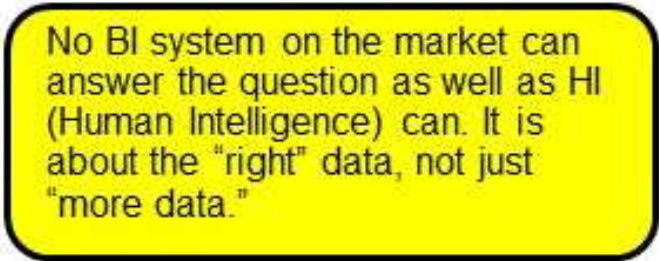
Big Data is Not Always the Best Data

The appeal of BI is strong and the messaging about how Big Data can transform businesses gets lots of attention in trade magazines and conferences.

However, for most organizations, the preoccupation with BI and Big Data has the potential to delay or inhibit achievement of tangible business value.

One popular mindset says that BI presents a better way to do what the business is doing today. Underpinning that logic is that being able to integrate larger data sets from more sources and conduct analysis quicker will enable better performance. However,

data is not a panacea and calling it Big Data does not change that reality. Having an organization drowning in a sea of data does no good.

Aggregating larger and larger data sets simply means that there is more information to sift through in order to identify business and market opportunities.

> No BI system on the market can answer the question as well as HI (Human Intelligence) can. It is about the "right" data, not just "more data."

And remember, as your data volume grows, the complexity and cost to maintain that data grows as well. At the end of the day, only a relatively small portion of the data is truly needed for decision support.

The question at the heart of the matter is this: which data truly needs to be analyzed. No BI system on the market can answer that question as well as HI (Human Intelligence) can. It is about the "right" data, not just "more data."

The Bottom Line: Make Sure BI is a Game Changer

When pursuing business-driven BI, be practical and focus on creating business value. Without the benefits of a BI tool, start with existing data and 1-3 business challenge hypotheses or goals.

Use existing tools and techniques with "new" data added to the analysis. There is a tremendous amount of learning that will naturally take place about the business data analyzed and any identified gaps resulting from a small-scale pilot.

Use what you learn from this pilot run to bridge those gaps, identifying additional data, if any, needed for the analysis.

BI can be a powerful game-changer if used correctly, or it can be a cash sink hole of gigantic proportions. The corresponding analysis should uncover strategic opportunities, e.g. a new way of competing in your industry, or even where or how you participate in the market.

If your pilot test shows this potential, charge forward. If not, your money may be better spent elsewhere.