

## **Ten pitfalls to avoid with Business Intelligence**

### **Introduction**

Business Intelligence emerged two decades ago as a tool for aiding decision-making. It was originally seen as the preserve of analysts and board-level executives, but has slowly evolved into a more democratic medium as organisations have come to realise that decision-makers at all levels and in all departments need access to timely, relevant information. Users are demanding the same speed and ease-of-use from their workplace software as tools like Google have delivered in their personal life.

### **Pitfall 1 – Failure to understand change management is required**

The success of a Business Intelligence project largely depends on how engaged business users are in the process. A workforce that isn't fully appraised of and involved in plans for change is likely to resist the unfamiliar. Such a project is as much about changing behaviour as it is processes. An objective of many projects is to create a culture of continuous improvement and accountability, but failing to explain the benefits could lead to misunderstanding.

Performance management is not a stick to beat people with and it's about managing performance rather than just measuring it. Get buy-in early and focus on educating the people who will be using it

### **Pitfall 2 - Failure to identify clear business goal**

Starting without a defined and considered goal makes for a poor foundation for a project. So ask yourself, what is it you want to address? Is your goal the right goal? What will achieving it mean for your business? Is it clear and will you be personally measured against it? Goals need to be specific and aligned to your corporate objectives, but they don't need to be big.

In the current volatile economic climate, more organisations are focusing on more tactical projects, with lower upfront spend and more quickly realised business benefits. It can actually help if you start with some very achievable 'quick wins' which ensure buy-in from all stakeholders at an early stage.

### **Pitfall 3 - Failure to enable real-time transparency**

If you don't know where you stand, how can you improve? Transparency should be at an individual, rather than departmental level. Many initiatives fail because the organisation is not yet ready for transparency of information.

Gone are the days when just financial metrics are measured. New technologies mean it's possible to apply the same levels of analysis across a range of areas for a truly holistic view of your business. Operational metrics such as resource allocation and production planning are becoming more common. New technologies are now making completely new areas of analysis possible, environmental metrics, for example, that assess market conditions.

In the near future social metrics will be measurable so you will be able to record and categorise Twitter mentions or track public perception of your brand.

#### **Pitfall 4 - Failure to involve the people you need to change**

Business Intelligence used to be owned by the finance and IT departments, but now a 'self-service' approach is taking over from the traditional models which focused on delivering static reports, predefined by IT, that were out of date almost as soon as they were issued and only met the needs of a handful of elite power users.

Ease of use is also driving a new era in collaborative systems, where organisations are extending the reach of their strategies to include the exchange of information between internal and external parties.

#### **Pitfall 5 - Lack of continued executive sponsorship**

High-level input is required to keep projects on course and everyone involved motivated. The most progressive strategies are in a state of constant development. Rather than building towards one 'big bang' they are ingrained in a culture of continuous improvement.

In this 'incremental steps' approach communication is critical, regardless of how good or bad the news is. Critical success factors should be continually measured and tracked, and the executive-level resources for this need to be allocated from day one. Consistent and dedicated sponsorship from the top demonstrates the importance of the project and helps establish it in company culture and values.

#### **Pitfall 6 - Failure to take action**

Visibility without action is futile, but when projects take a long time to implement, momentum is lost and it can be all too easy to stop acting on the valuable information that's being produced. Putting formal meeting and review structures in place creates a strong feedback loop, and Business Intelligence should be used not only to understand where you are but also to measure the success of your resultant actions.

Only by taking action, recording your activity and measuring your progress will you maintain the buy-in of others. There's little point in having these new capabilities if you don't use them to improve and can't demonstrate their value.

#### **Pitfall 7 - Losing control**

Business Intelligence is such a powerful tool that organisations are often simply overwhelmed by its potential. Try to concentrate on what's relevant and useful rather than just measuring, recording and disseminating data for the sake of it, and remember not to lose sight of your objectives.

Keep it simple, and spend time choosing the right KPI's for your business, rather than simply tracking all available metrics. Businesses succeed or fail based on the effectiveness of their KPI's. Directors are increasingly feeling the pressure to establish the right metrics across all

areas of their business and top performing companies are more than twice as likely to incorporate a review process into their KPI strategy.

### **Pitfall 8 - Failure to employ a practical and simple implementation framework**

Carefully selecting the right technology will go a long way to overcoming potential problems. Small, agile, focused projects are less likely to eat up resources and goodwill, so focus on single goals and make sure they're appropriately resourced.

Users will need training, of course, but if that training takes more than three days you know you're dealing with the wrong technology. Remember, you're aiming for a fast goal delivery, not a technical delivery, Return On Investment is now the top priority so payback time should be measured in days.

### **Pitfall 9 – Deploying inappropriate technology**

Delivering value within weeks, or even days, means giving people the motivation to change their behaviour. The chosen technology must therefore support this methodology.

Expensive and outdated technology is the reason more than half of all projects fail to deliver the expected benefit. What organisations need is a way to quickly prototype and build applications that are simple and easy to use, yet powerful enough to supply detailed and actionable information. New tools put the impetus for change in the hands of the user. This new breed of self-service technology is better able to support a people-focused deployment because it's simple to use and its benefits are immediately apparent.

### **Pitfall 10 - Take the path of least resistance**

Effective Business Intelligence strategies mean embracing change. They mean tackling issues and questions you know need answering, but are almost too frightened to ask. They sometimes force you to make tough decisions or require you to overcome resistance from people and departments who are protective of their data.

Business Intelligence gives you a single, definitive view of the truth so at least you can make decisions based on fact, rather than faith. Sometimes what it reveals surprises everyone, for example costs being incurred unnecessarily. The key is to make decisions and take action when your Business Intelligence demonstrates a need to.

### **Conclusion**

Business Intelligence is a major priority for most organisations, but while the potential benefits are clearly apparent, there are risks associated with choosing overly complex technology and not applying an effective change management programme during implementation.

These new concepts, are a long way from the traditional technologies which cost businesses millions but failed to deliver the levels of insight they promised. It's also important to understand exactly what is expected of the new technology, the problems it should solve and the goals it will help achieve.

Only then can its success be measured effectively. And with the right goals, that success will be evident where you need it most. More accountable, empowered, focused and enthusiastic people, and more efficient processes and resource allocation. There should be continually improving performance and insight into new opportunities. So what are your goals? What would reaching them mean for your business? Start thinking today because whatever it is you want to achieve, Business Intelligence will help you get there.