

A new perspective on working smarter

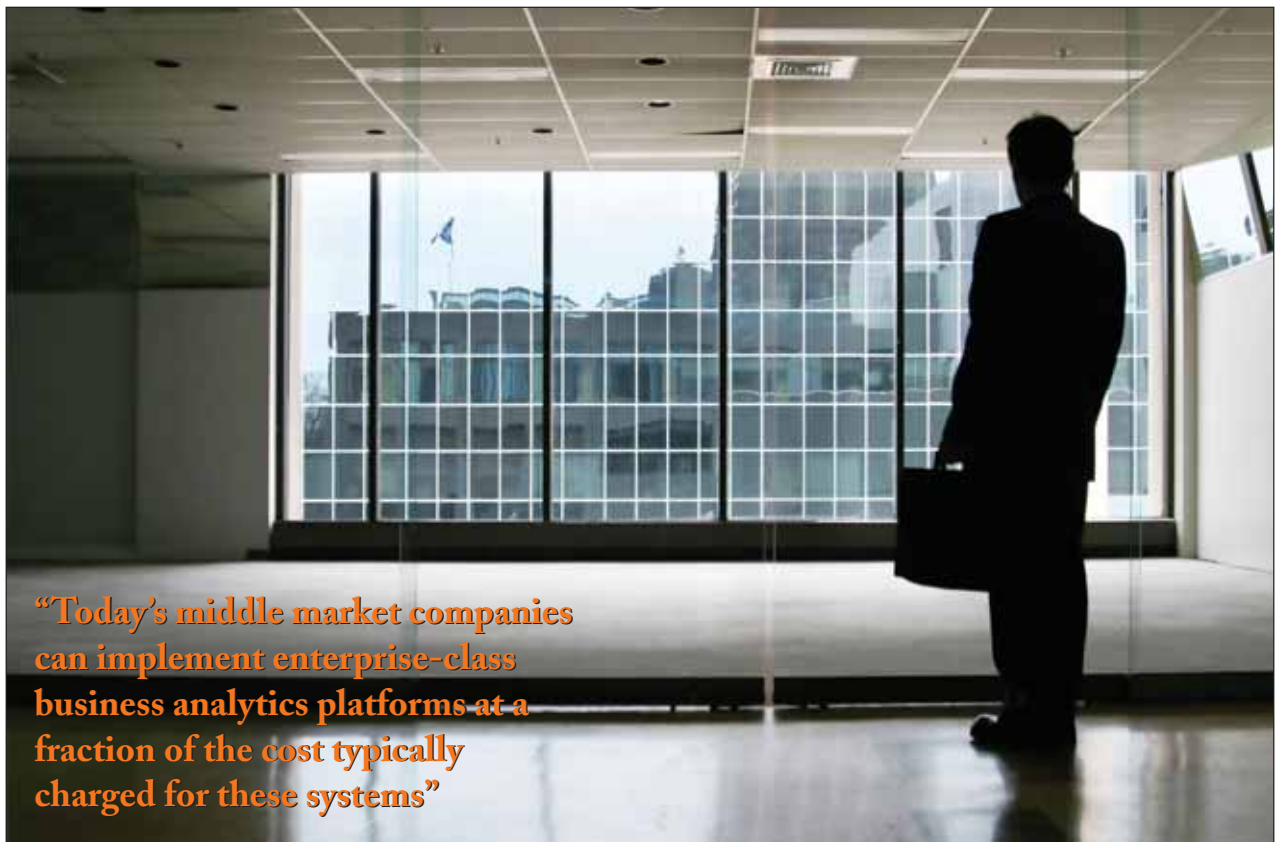
Industry leaders can no longer rely on hard work to maintain their status. Today's business climate requires that, as an organization, we work smarter. By **Daniel J Schwartz**

For middle market companies, business analytics provides one of the greatest low-risk and high-ROI opportunities to increase organizational value. Working smarter as an organization is accomplished by the summation of small increments of effectiveness by individuals across the organization's functional areas and throughout management and employee ranks.

Normally, we talk about the impact of technology on individual performance and its impact on efficiency. Business analytics can drive

breakthrough increases in business value by enabling individual effectiveness as well as efficiency. When an individual is given the power to leverage their experience, intellect and decision-making abilities interactively with information that is relevant and encompassing, he becomes a contributor to organizational value.

Analytics beyond static reporting has long been restricted to large companies that have the resources to invest hundreds of thousands of dollars in consulting, tools and software development. What about



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the needs of the small to medium-sized enterprise? Can they benefit from organization-wide analytics and reporting without having to pay Fortune 5000 prices? In today's market, the answer is a clear and definitive 'yes'. Today's middle market companies can implement enterprise-class business analytics platforms at a fraction of the cost typically charged for these systems. Some companies are even using analytics to increase the ROI on their existing IT investments, extend their lifecycle or deliver value to a wider audience. Analytics systems, for the most part, leverage existing applications and the data stored within, eliminating the rip-and-replace cost usually associated with introducing a new application. Medium-sized organizations actually have more to gain from a business analytics platform than the larger organization. The medium-sized company is often more agile in making decisions and taking action based on the knowledge served up by an analytics platform. Larger companies and business analytic vendors have been focusing their analytics initiatives on corporate performance management (CPM), key performance indicators (KPI), balanced scorecards, Sarbanes-Oxley and various other metrics. These are all excellent strategic tools, but the value for the smaller company of these speedometer, thermometer and odometer representations of information may be less effective when compared to the value they derive from operational analytics.

Operational analytics are used on a daily basis by middle management and frontline workers. Operational analytics frequently provides a better way for the worker to determine the content of that day's work effort – for example, who should the salesperson or account manager call next? We always want to know who our top customers are, but for a business whose value is tied to customer lifetime value, it may be as effective to act on timely information such as customers who have not purchased from us within their normal buying cycle.

How can a single platform provide value across the organization from frontline worker through top-level management? Think of the hundreds of thousands or millions of data points that are derived from the transactional activity of your organization. Individually, each point has relatively little value other than for accounting purposes. When these data points start to be consolidated and are combined with data from multiple functional areas and systems; from data sources outside of the company; and from data that is typically locked away on individual spreadsheets, these data points morph into information and then knowledge – and eventually into the basis for making strategic decisions.

Think of this transformation as a funnel; the wider it is at the top, the more data points we are collecting from various sources. The level of the workers within the organization dictates the level (height) at which they interactively access information within the context of their job responsibilities. Top management, for example, may access

'knowledge' at the bottom or narrowest part of the funnel where information is most consolidated and encompassing.

Organizational information becomes a more valuable asset when your users can work with it in their own context and with a user interface that is consistent with their role and abilities. The greatest value from an analytics platform is derived by generating a high adoption rate amongst non-technical users across the organization. Many users are one or two-click users whose information needs are fairly static, albeit analytic. These users are typically top management (because they don't have the time to do their own analysis), or frontline workers (because they don't have the background to do their own analysis). They are not technicians or spreadsheet jockeys. Their information requirements may be complex, calling from multiple sources, calculating non-contiguous metrics. But they demand a simple user interface.

Dashboards and report cards are presentation tools that provide the best usability for these users. Intuitive and efficient, these interfaces ensure users get directly to the information they demand. Traffic light alerts, interactive graphics and drill-down/drill-through capabilities free users to analyze, strategize and react to information as opposed to compile information.

Other users are information analysts, regardless of their title, from project manager to salesperson to department head. These individuals require self-service interactive analytics. They want complete flexibility to find, format and present information from multiple sources in near real-time. One of the most widespread benefits cited by these users is their ability to interact with their information. Not only do they get the answer to their first question; that answer then generates a second and third question. When these users can find the answers to these follow-up questions almost instantly and those answers generate actionable knowledge, we have created more effective and more efficient workers.

Adoption of an analytics platform within the organization tends to be viral. Middle market companies often start the adoption of an analytics platform with a single, fairly simple initiative such as distributed financial analytics or improved project management. With middle market specific solutions, these become fairly low-cost, low-risk initiatives. The adaptability of these same platforms enables them to expand to other areas as more functional managers start to see the applicability to their particular needs.

Investing in business analytics can be one of the best decisions that middle market companies can make today. A single platform – a single truth across the organization to support strategic decision-making and provide actionable knowledge – provides the basis for working smarter and maintaining a competitive edge. ■

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