Chapter 26
BISC:
A Framework for Aligning Business Intelligence with Corporate Strategies Based on Enterprise Architecture Framework

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ABSTRACT

Despite the importance and the strategic role of Business Intelligence (BI) in organizations and its key impact on successfully executing corporate strategies, in most cases, strategic planning and performance management projects are done independently from BI projects, therefore a holistic and an integrated framework has been proposed in this paper for aligning Business Intelligence initiatives with corporate strategies. This framework as an interdisciplinary work borrows the approach of the Enterprise Architecture frameworks and its structured logical thinking about the organization and was refined through gathering and analyzing expert's opinions. This paper also uses a case study in one bank with the aim of clarifying the application of the proposed framework.

1. INTRODUCTION

In today's rapidly changing business environment, the need for timely and effective business information is recognized as essential for organizations not only to succeed, but even to survive (Lonnqvist & Pirttimaki, 2006). As Williams (2008) points out "despite the importance and the strategic role of Business Intelligence BI) in organizations and its key impact on successfully executing corporate strategies, in most cases, strategic planning and performance management projects are done independently from BI projects, the former are carried through a team made up of executive managers and business analysts on the business side and the latter are mostly done by the IT departments".

In related works, BI is considered as the main tool for achieving performance management (Aho,

2009, 2010; Frolick & Aryachandra, 2006; Heesen, 2012; Tonchia & Quagini, 2010) and in many BI Maturity Models, maturity of BI is only achieved through its combination with BSC and its alignment with organizational strategies (Eckerson, 2004; Rajteric, 2010; Wixom & Watson, 2010). However a few unanswered questions in this field are: how this alignment could be achieved in an enterprise? What elements and details should we consider in the process of alignment?

In order for more efficient deployment of Strategic BI (SBI) in the whole organization and prevent being limited to a department or a business unit, a framework needs to be developed to align BI initiatives with corporate strategies. The proposed framework borrows the approach of the Enterprise Architecture (EA) frameworks and its structured logical thinking about the organization for aligning Business Intelligence with corporate strategies which could be helpful in the time of deploying Strategic BI in organizations. Therefore this research is a combination of different fields of research and practice and it counts as an interdisciplinary work for clearing out the above questions.

The remainder of this paper is organized as follows. Section 2 and 3 gives an overview of the related literature and related works. Section 4 describes the foundation of the framework and section 5 describes experts' views about the proposed framework. Section 6 illustrates the framework through a case study in a bank transforming its business model from product based to customer focus.

2. LITERATURE REVIEW AND THEORETICAL BACKGROUND

2.1. Business Intelligence (BI)

In 1989, Howard Dresner defined BI as an umbrella term to describe concepts and methods to improve business decision making by using fact-based sup-

port systems (Power, 2007). There are also other definitions proposed by other researchers which the following appears the most comprehensive comparing to the others:

"BI is a combination of processes, policies, culture, and technologies for gathering, manipulating, storing, and analyzing data collected from internal and external sources, in order to communicate information, create knowledge, and inform decision making. BI helps report business performance, uncover new business opportunities, and make better business decisions regarding competitors, suppliers, customers, financial issues, strategic issues, products and services". (Foley & Guillemette, 2010)

By looking at the above definition, we could realize that BI is not only a technical IT project like others, instead it is a managerial philosophy and a tool that its value for business and its contribution to organizational decisions and business performance is much more important than its technical aspect (Lonnqvist & Pirttimaki, 2006). Different authors have developed Critical Success Factor frameworks for managing and implementing Business Intelligence in organizations (Harison, 2012; Yeoh, Koronios & Gao, 2008). Also Business Intelligence has been studied in the use phase (post-adoption) in organizations from three dimensions: 1-intensity of use, 2- extent of use, and 3- BI embeddedness (Grublješič, Jaklič, 2014).

2.2. Strategic Planning and Performance Management

Strategic Planning (SP) is a process for formulating and describing corporate strategies and linking those to operations and controlling the execution of strategies in organizations (Kaplan & Norton, 2008). Another concept similar to SP is Corporate Performance Management (CPM) or Business Performance Management (BPM). "CPM is a closed-loop approach to implementation and monitoring of strategy and offers organizations an IT-enabled approach to formulate, modify and

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