Chapter X

Management Factors for Strategic BI Success

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ABSTRACT

This chapter focuses on the factors necessary for strategic Business Intelligence (BI) success from a managerial point of view. BI results from the various information and human knowledge source systems, as well as the holistic view of the business processes within an organization. However, for the BI process to be synergetic within an organization, the management of the organization should be responsible for providing an environment that is conducive to yielding optimum BI generation and utilization. The goal should be to maximize the resources and minimize the inefficiencies that are systematic within an organization. Open lines of communication, with shared goals and objectives, and organization-wide standards are crucial for overall success. The factors for BI success are all interrelated and non-sequential. However, each needs to be executed and communicated with complete diligence on part of the management for overall strategic success. Lastly, to accommodate a healthy and ethical BI environment, the corporate philosophy and work methodologies may warrant necessary modification.

INTRODUCTION

From a management perspective, the definition of Business Intelligence (BI) is the transcription of corporate data into information that sustains an optimum decision-making environment. In basic terms, BI should enable strategic thinking and action within an organization. It makes necessary information available to all levels of an organization, from senior management to the "worker bee." The well-designed BI system utilizes technical as well as nontechnical infrastructures of an organization (Moss, 2003). And how the information is shared within an organization is a contributing factor to the overall success of an organization. Shared corporate philosophy and goals at all levels are a must today. Additionally, the workers require much more information, knowledge, and context. The interdisciplinary teams and work environment require common ground for organizational success (Tapscott, 2003).

However, "through to 2004, more than half of Global 2000 enterprises will fail to properly use BI, losing market share to those that do (0.8 probability)" (Dresner et al., 2002, p.10). Bill Gates, the most successful businessman of our times has been quoted as saying, "How you manage information determines whether you win or lose" (Wu, 2003). Information is the one asset of an organization that is often as unique as the organization itself; managing it is like managing the lifeline to the overall success or failure.

Despite having hoards of information within any given organizations, most organizations of today still fail to see the value of a cohesive BI system. The leaders of these organizations think they know all the answers and can continue to function as they have historically. The wake-up call comes when stiff competition is staring them straight in the face. On the other hand, there are some organizations that know they face competition but lack the know-how to come up with a good tackle plan. In both cases, the reason is the lack of a holistic view of the business, its various functions, and knowledge mines, which results in degraded organizational performance. It's therefore imperative to design BI systems that improve and sustain an organization's ability to make good strategic decisions.

Despite the myriad management styles, corporate philosophies, and individual personalities that exist within the management echelons, there are some basic factors — the fundamentals — that enable strategic BI success to prevail and conquer within any organization. They are:

- Cohesive Corporate Strategy;
- Well-defined IT Infrastructure;

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