

BI – Can Analysis be Centralised

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Sanjay Shah

(In this article I am continuing the dialogue of the MD of a large company with Mr. Basu who is now the head of the BI Initiative of the company. The MD has also engaged a BI Strategist to help them in this all important journey.

Basu's company, ABC Corporation, is a conglomerate of several different types of businesses operating under one single legal entity. Growth in the past couple of years has been good. MD firmly believes the continued growth and profitability will depend on taking the right decisions at the right time and based on data rather than on gut feelings. For this he feels that time has come to invest in BI Technologies and applications. He has engaged Mr. Waghmare who is a BI Strategist for guidance, and internally the initiative is driven by himself and Mr. Basu.

Mr. Basu has worked out a BI Strategy and is keen to discuss this with the MD. MD usually has such meetings late in the evening after the regular work of the company is done.

MD's Secretary : Good evening Mr. Basu. MD and Mr. Waghmare are waiting for you. Both of them seem to be in a good mood after their Diwali break. They are exchanging stories about how they spent their holidays.

MD' secretary always mentions MD's mood to Mr. Basu, so that he can go in well prepared. This time Basu is relieved. Generally meetings with the MD are quite stressful. Recently Basu has been promoted from his post of an SBU head to the post of an Executive Assistant to the MD with specific responsibility for the BI initiative. MD's is very serious about BI, as he feels that if this is well developed it has the potential of becoming as important as the central nervous system of the human body.

Basu : Good evening Sir. Good evening Mr. Waghmare.

MD : Good Afternoon Basu. I am glad you have worked out a BI Strategy. Can you give us a brief please.

Basu : Sir I carried out a brief study of the BI practices which our various SBU's are adopting. They are all using different tools, doing a lot of things manually and generally there is no standardisation.

So I feel that we should centralise the entire BI activity. After all conceptually all require the same type of reporting. So we can save a lot of money by centralising the hardware, the tools and the applications. Everyone can then refer to the same reports.

MD and Waghmare nod their heads. Basu is encouraged so he continues.

Basu : I don't think that each SBU head is capable of developing the BI systems, and it would be better for all concerned if we centralise the thinking and the development.

MD : Basu, it is certainly a good analysis. Centralising the hardware, the BI tool will definitely save the company a lot of money. We can centrally decide which tool to purchase, so that each SBU need not do the evaluation. But I have some reservations in centralised 'thinking'.

Waghmare : I agree with the MD.

MD : Where do you stay Mr. Basu ?

Basu : (surprised) In Phoenix Society Sir.

MD : What is the size of your apartment Basu ?

Basu : (he feels that he is going to be rewarded with a bigger flat in a better locality) It is just about 1500 sq feet , 3 bedroom apartment Sir.

MD : Are there any other apartments of the same size in your Society ?

Basu : Yes Sir, there are almost 50 flats of the same size. Others are smaller.

MD : Ok. And I am sure that all the 50 flats have the same , identical interior decoration done !? After all everyone's requirements are the same.

Basu : No, no Sir. Each flat has been separately designed according to the needs and the tastes of each family. My wife has designed our flat, and I am happy to say that it is one of the best interior designed flats in our society.

MD : That's exactly the point I am trying to make Basu. While it is good to have certain things in common like infrastructure, security etc.. yet, it is very important to keep leeway for individual requirements. That is exactly how your architect has designed your society. He has centralised and optimised the design, has common security, common water treatment plant etc.. But he has still kept the interior decoration of each flat to each occupier. That way each family has the best of everything.

Waghmare : Well said MD. Similarly for the BI initiative we need to centralise the hardware, the tool , applications etc.. But there must be sufficient flexibility in the system by which each SBU head can customise his applications so that create his own reports suited to his style of thinking.

Basu : But Sir, that would mean a considerable quantum of redevelopment for each SBU, and would lead to a much higher cost.

Waghmare : Mr. Basu, there are some technologies available which permit you to develop the base BI modules. Having done this, each

Observations:

A large company which I had recently contacted had started its BI journey recently. Their CIO mentioned that they are first building a 'Dashboard' for the senior management. In fact he gave me a glimpse of the dashboard. Later when I met some of their operating personnel, I found them quite harried. They mentioned that using the Dashboard the senior management asks several questions. But there are no methods by which they can quickly answer these questions. A huge time goes in creating reports from the ERP data. By the time they are ready with the answers, the question itself has become irrelevant.

Design Principles:

- 1 A dashboard must have a detailed analytical report as a supporting. The dashboard brings a summary view. The dashboard should not be designed to show too much detail, otherwise it will lose is user friendliness. Once a problem has been identified in the dashboard, the user should be able to work on the supporting analytical report to drill down to much lower levels of detail.
- 2 A dashboard should be designed keeping in mind the person who is going to view the same. As a golden rule there should not be more than 7 KPI's in a scorecard. More than this number tends to overburden the user. The rest of the dashboard also should be clear and uncluttered and the full dashboard should be visible and should have sufficient magnification so that it is easily readable.

About the Author:



Sanjay Shah (B.Com, CA) is the CEO of Prosys Infotech Private Limited, a Pune; India based company specializing in developing BI solutions on the Microsoft BI Platform. He can be contacted at sanjay@prosysinfotech.com.

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