

# BI – Sales Analysis

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Sanjay Shah

(In this article I am putting forth various thoughts and ideas which I have learnt in my BI practice. I have had the good fortune of working with some very intelligent people at my clients' office, and to them I am very grateful.)

## Introduction

For companies, which are selling to the open market amidst stiff competition, getting a good sales analysis report is of vital importance. I have seen many sales analysis reports developed using BI technologies, but these turn out to be various dimensions thrown in along with some measures. The end user is then left with the onerous task of making sense out of this huge data.

Certainly, putting data in a BI tool is one step forward. Initially the end users are quite thrilled as they can see different permutations of the data and can intuitively do a lot of analysis. But this is not enough. After sometime they get fatigued with the seemingly endless possibilities.

*"I never liked this damned machine,  
I wish that they would sell it.  
It never does quite what I want -  
but only what I tell it." (Anonymous)*

The above are probably the words of a frustrated user. Similarly the BI user also gets frustrated with a BI module which is not 'intelligent'. The key words in the above snippet are "it never does quite what I want...". The key task is to find out what does the user want ?

## Business Scenario

Corporate strategies in the area of sales can keep changing. At one point in time a company may concentrate of increasing the top line irrespective of the bottom line, at another point the company may like to increase the bottom line sacrificing the top line . Sometimes the company would like to concentrate only on the 'good' customers etc.. How does one go about designing MIS for the sales team which will give them a good handle on what's happening ?

## **Sales Analysis Reporting**

The domain of sales generally has various dimensions and a very feature rich reporting can be done. But there is a fear of information overload, which leads to what I call “paralysis by analysis”. There is so much analysis available that more time is spent in reading the reports rather than acting on the same.

The corporate budgeting process for the coming financial year, generally starts several months before the start of the financial year. Exhaustive discussions on sales are generally done. Targets for the coming year are negotiated and finalized, and on the basis of this the rest of the budgeting is done.

In the corporate scenario, it is very important to meet these planned targets. But the person who rises to the top is the one who has a deep understanding of the market using the data of the sales made by the company and other market data. So if the objective of the company is to maximize its revenues and margins, the objective of sales analysis reporting would be enable the user to :

- Enable analysis of the current sales performance wrt the plan
- Enable adhoc analysis of sales to develop strategies to further the objectives of the company

## **Design Principle**

End-users should permit BI professionals to attend , at regular intervals, review meetings and find out how the decision makers read the reports and take decisions. At any point of time if the BI professional feels that the report is not giving the correct level of granularity he should make notes. Later he should discuss with the decision make his observations and make the appropriate changes in the BI report.

BI Professionals should not design reports which are just limitless permutations/combinations of various dimensions. They should try to build in ‘intelligent dimensions’ which make the report much easier and quicker to read, and which enable decisions.

A seasoned politician was once asked that if he was to make a speech of two hours, how much time he would take to prepare for it. He replied that it would take just 10 minutes to prepare the speech. Then he was told that if he was given just 10 minutes for the speech, then how much time he would take to

prepare. He said that in that case it would take him four hours to prepare the speech. He said that it was very difficult to make a short speech. The moral of the story is that it is very difficult to keep things simple.

The BI professional should remember that he is making a report for the decision maker, who probably has a thousand things to attend to. The report should be very simple and yet extremely effective. Believe me, making the report simple, is a very difficult task !

The BI professional should also remember that it is not the tool, but the way it is designed that really matters.

All the above examples have been designed using very simple but very effective design principles. You would notice that the tool used in MS-Excel. But this simple tool also can become very powerful if you know how to use it. Remember David and Goliath ?

### **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. Prosys has developed BI solutions for various companies like Honeywell Automation India Ltd., Alfa Laval India Limited, Kirloskar Group Corporate Office, Kansai Nerolac Paints Limited etc. He can be contacted at [sanjay@prosysinfotech.com](mailto:sanjay@prosysinfotech.com).

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