

Business Intelligence for CEO

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In recent years, BI has significantly gained importance both among the enterprises and SMEs. Comprehensive and timely information and knowledge are crucial in generating new products and improving business operations. BI and related Management Information Systems (MIS) play a central role in producing up-to-date information for operative and strategic decision-making.

With the help of BI, companies learn to anticipate the actions of their customers and competitors as well as different phenomena and trends of their market areas and fields of activity. Companies then use the information and knowledge generated to support their operative and strategic decision-making.

BI supports proactive CEO and his decision making by producing actionable information that enables the identification of emerging changes and gives time and options to tackle the upcoming challenges.

Without a BI system, data is just a burden on the organization, eating up costs but not really giving much back in return. That's why more and more organizations are discovering the benefits of a well-implemented BI strategy.

Changing Business Environment and Decision-Making

In planning their strategy, companies need to consider the pressures and challenges caused by the business environment in order to thrive in the global digital economy. A rapidly changing business environment brings about a growing need for very timely, first-rate business information and knowledge. In addition, the amount of information available is increasing along with advances in information and communication technologies. It may be very difficult to sift what is relevant from such an overload of information. Yet, the competitive edge is only gained through the ability to anticipate the information, turn it into knowledge, and to craft it into intelligence relevant to the business environment, and to actually utilize the knowledge gained from it. Competitiveness here is

defined as the company's ability to operate successfully in changing circumstances. Up-to-date knowledge is thus the basis for competitiveness in ever-changing business environment.

The management and decision-making of a company is most often – after all – a collective effort, involving several people with distinct expertise from different organizational levels. Managerial input, therefore, is particularly crucial in bringing together contributions from a diversity of fields and knowledge bases. Further, managerial input is needed in turning information into useful business knowledge.

Business success is dependent broadly upon three factors. A company must be able (1) to satisfy its core business agenda and, secondly, (2) to form a product entity that is successful among the customers. The third factor is (3) the external business environment. Management needs to predict any changes and make decisions based upon flawless real-time information. Information per se is not as significant as the fact that the information is meaningful and that it is being utilized in practice, which then calls for appropriate management of the information.

Information needs may be either explicitly recognized or unconscious. Expressing information needs comprehensively is very challenging – or even impossible. Therefore, those responsible for acquiring the information should not confine their search only to information specifically defined and pre-ordered, but also try to perceive the information needs more holistically. Maybe the information needs could be considered through the concepts of explicit and tacit information in an organization. Tacit information cannot be explicitly expressed or disseminated. Accordingly, some information needs may be more tacit than explicit in their nature.

Top management including the CEO utilizes the information and intelligence gained through business information acquisition and analysis.

CEOs must use and/or push the use of the new BI in a public way. If the CEO consistently asks the vice president of operations for business information and business analyses that can most easily be gotten from a BI application, the vice president of operations will make sure his or her people are using the same information the CEO is seeing. By using BI for sales campaign management, the company can focus like a laser on the groups of potential customers who are most likely to accept direct marketing offers. This result in both higher revenues and lower cost thereby helps create company norms and share values around the use of BI for profit improvement. Many organizations have seen the payoff, they take pride in leveraging BI, and there is little or no possibility of changing back to older ways of spreadsheet based reporting which is prone to manual errors, a dangerous proposition.

Better Business Performance

The ability to access, use and share data and information in an efficient and relevant way helps improve business performance. BI capabilities empower employees to:

- Align day-to-day operations with overall company strategy and objectives
- Identify and understand the relationship between business processes and their impact on performance
- Access information relevant to specific user roles and responsibilities
- Analyze data from documents and spreadsheets in an easy way
- Gain contextual insight into business drivers
- Monitor the vital business indicators that are needed to move an organization forward such as:
 - Current status and trend of essential financial ratios
 - Effectiveness and profitability of sales channels
 - Crucial operational metrics

In short, BI helps companies gain a comprehensive and integrated view of their business and facilitate better and more effective decision-making.

Three kinds of decisions

In effect, there are three kinds of decisions that an organization makes.

- **Strategic decisions** – these are the ‘big’ decisions that companies make (e.g. should we buy a partner, should we enter a new market). The value of these decisions is large – but the quantity is few
- **Tactical decisions** – this has been where business intelligence traditionally has been implemented. This is the product manager deciding what discount schedule to put in place or a pricing decision for a new product
- **Operational decisions** – these are the business decisions (often made by people that have never heard of BI) that happen a lot on a daily basis – yet, they have smaller business impact when measured by themselves. However, in aggregate, multiple operational decisions add up to a lot of value – and can drive a better business.

BI tools like 1KEY, enables organization caters to the reporting analytics demands of all three user group for making informed decisions.

BI is no longer considered to be a nice-to-have application. It is now a crucial element, a must-have for competitive business operations. Most companies have begun business information acquisition and analysis simply because they have realized a need for enhanced information and knowledge to support their planning and decision-making.

BI is becoming an important strategic tool for business management. BI software offerings can help companies gain insight into their business, make better decisions and ultimately improve business performance.

Business information acquisition and analysis is increasing in large-scale companies and now with the availability of Operational BI tool like 1KEY, it is affordable, scalable and being looked upon, implemented and used by SME's as well. BI as a concept is becoming more common in everyday business life.

The driving force for such companies behind implementing a BI has been a need to obtain knowledge about the business environment and its development to support operative actions. BI incorporates people, processes, and also the knowledge as an end product.

The time is right for CEO to embrace its potential and step up to the leadership and general management challenges of a BI-driven profit improvement initiative.



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Sanjay is currently the CEO of [MAIA Intelligence](#). He is leading a team of technocrats with a vision to change paradigm in Business Intelligence (BI) space and make BI available to masses. Mr. Mehta has a wide knowledge on various verticals from Manufacturing, BFSI and Distribution.

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