

Business Intelligence to address recession

Business Intelligence (BI) is made for times like these! "When cash runs out that's when thinking starts." This statement is very true in downturn or recession times **SANJAY MEHTA**

This year has been a year of economic slowdown and recession. The current scenario is like cost of operations are escalating, financial markets have tanked, liquidity crisis is prevailing, growth demand is at lowest, sentiments are shaken, uncertainty is felt, fear factor is visible, inflation growing. Overall it's a global meltdown. Everybody is searching for direction in these uncertain times. It will be stupid to predict how the economy will move. Enterprises can surely control how their company will move. It is possible to grow in economic recession times. It is possible to insulate the impact of downturn to your company.

Today you don't have time to introspect all of the business and you also cannot ignore even the smallest action in your company. In the current time where every action is happening so fast you need technology solution which do not your waste time and resource and help you grow.

It's more important than ever to see what the data says and indicates. The decision-making process requires human thinking, but when supported by technology it generates far more value in multiples than gut felt decisions

The business pressures in the recession times are highest. Efficiency, cost control, effective decision support, accountability, transparency, regulatory compliance, rapidly changing conditions are some of the business pressures.

BI Technology helps understanding data for actionable information. BI makes data visualisation easy for quick decisions. BI has the answer for most of the business pressures.

Rapidly changing conditions

How can I accelerate my planning and decision cycles?
How do I monitor conditions and take early corrective action?

Accountability, transparency

How do I comply with corporate governance requirements?

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How can I ensure accurate, timely reporting?

Effective decision support

How do I filter extraneous data and focus on relevant information?
How can I access and rationalise disparate, fragmented data?

Efficiency and cost control

How can I sustain / improve profitability?
How do I keep information current?

BI is going to be the foundation for fighting back & insulate from bad economic times. CEO Creative thinking kick starts in economic downturn by implementing BI. It's more important than ever to see what the data says & indicates. Implement

BI solution that delivers reports anytime, anywhere, in the format you require. Data value within transaction based application like ERP; CRM will be unlocked by BI. Support decision making across entire enterprise at every level: strategic, tactical & operational. BI technology will be the critical catalyst lever for growth. BI provides an early-warning system around key indicators of exposure and risk. Implement BI with a compelling user experience that requires little / no training and no reliance on IT to write reports / queries for business users. Forbid use of spreadsheets for MIS report publishing in meetings and presentations. BI Technology helps understanding data for actionable information. BI makes data visualisation easy for quick decisions.



Trade spend analytics

One can't spend money like crazy to catch a few customers. One really has to think about which customers he wants and which products will carry him through.

- Segmentation and differentiation of customers is important for trade spend analytics. It is not about saving cost it is about getting best possible value on every penny spent on customer acquisition
- Trade spend efficiency and effectiveness
- Trade Spend Uplift – Sales & margin
- Spend by Merchandise Method
- Promotion ROI
- Promotion Over/Under-spend
- Promotion Impact – Cannibalization & Halo effect

Roles: Marketing Manager; Customer Account Managers; Sales Execs; Finance; Promotional Analyst; Business Unit Heads; Category Manager; Brand Managers

Metrics and dimensions

Volume; Revenue (and growth); Total Promotion Profit; Targets; Market (volume \$); Market Share; Price; Margin percent; Trade Spend; Promotion ROI; Promotional Uplift; Order Fulfillment percent; Consumer pass through percent; Stock Cover Customers; Events; Sales Channels; Products; Brands Categories; Promotion; Media types; Time; Locations

Financial management analytics: Asset efficiency

- Balance Sheet Goals: Capital Employed Value, percentages of debt to Equity Ratio, ROCE.
- Cash Flow Goals: AR in Days, Net Cash Flow Value percentage and working Capital Ratio percentage
- Treasury Goals: Borrowing Cost percentage, Investment Yield percentage, Net Liquidity Value

Customer profitability analytics

(Customer = King or Customer = Liability)

- Find which customers are destroying profits, eating away your earnings
- Incorrect information about customers' profitability, efforts to grow sales directed toward customers that are unprofitable. In reality, earnings will be low even with growth
- The real value is not in the money saved, but how you use information to adapt in challenging environments such as today's economic situation

Expense management analytics

Supply Chain Cost Index - On Time Delivery Goals

- Average Lead Time in days

- Order Fill Rate
- On Time Unit Delivery

Operations cost index – IT vendor management goals

- IT Contract Cost Value
- IT Project Completion
- IT Lead time in days
- IT Vendor On time
- SLA Performance

Overhead cost index – Benefit cost goals

- Benefit Cost Increase
- Benefit Cost Value
- Benefit Payroll

Inventory management

- Inventory Aging Days
- Inventory ABC Analysis Value
- Inventory Turns Ratio

Decision-makers can have access to speedier responses (information) from data. Companies who can understand their customers and their suppliers can use

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that knowledge to negotiate skillfully, and use knowledge of their products to reduce service costs have a big advantage. BI makes it possible.

Companies can reuse operational data to one-up the competition with better marketing and branding.

With BI, businesses can not only cut back operations, but they can provide a smart and powerful analytics in the hands of the business users across the organisation. With BI, one can quickly come up with a single view reporting from disparate data-sources. Whatever the economic cycle, there is always a need to reduce cost and maximize profit.

By understanding business through the data generated on a daily basis, organisations are more efficient and better equipped to re-engineer the company for competitive edge. With BI they can have better understanding of the operations and fine tune the processes for cost efficiency. By understanding the business better they can re-engineer it for competitive edge.

With BI, executives can look internally at their spending patterns to find greater efficiencies and cost savings. Executives can overcome the major obstacle of access to relevant, timely and consistent data with BI and analytical systems in place.

The sheer quantity of data captured and analyzed by organisations has grown exponentially, and many of them are unable to successfully compute extensive data sets in sync with a quickening market. Another issue stems from data being broken up into many disparate IT systems. Not only does this hinder firms' ability to get a single point of truth of its exposure at any given point in time, but it also has a negative effect on customer service – as it's hard to take a holistic view of a large enterprise or high-net-worth customer, and they are demanding that kind of 360-degree service these days. BI can determine what to cut, trim and scale back from operations while, hopefully, minimizing adverse impacts on the business.

Organisations in the channel (traders, dealers, distributors, wholesalers and retailers) with BI can be well-armed with reporting, dashboard, KPI, what-if modeling, interactive visualization, and other analytics for sifting through operational data and identifying promising areas for business optimization. Indeed, with BI financial consolidation (FCM), CFOs can have an increasingly sophisticated tool for determining where to apply the budget scalpel.

BI offers a wide range of reporting and analysis interfaces for Precision, providing insights into business performance across the company. BI analyzes the effectiveness of Sale to Customers, Stocks & Inventory Analysis Profitability Analysis, which need to be continuously monitored & controlled for increased profitability.

Likewise, for supplier relationship management BI can let companies understand their options for dropping marginal vendors in favor of those that can offer preferential pricing. BI delivers similar optimization benefits across the full range of business functions.

Clearly, BI is a key asset in the ongoing business optimization struggle, both in good times and in bad. There are many BI initiatives that can help organisations consolidate, spend modestly and tweak existing processes within fiscal constraints.

Today, companies need to access vital customer data, including order histories, delivery information, and pricing histories, in order to have a competitive value. Those companies that invest in BI get a competitive edge. It is the action time now. Let's act and beat the recession and make our growth certain with BI technology. ■

The author is CEO, MAIA Intelligence