

Information transformation

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Business Intelligence:
Keep pace with the speed of change



Article Summary

Business Intelligence systems need to keep pace with the speed of change. In uncertain and fast changing times, it's not enough to rely on monthly reports and gut instinct. You need fresh, hard facts. You don't need more data; you need less data in the form of essential information – and you need it faster.

Speeding up your flow of real-time information will greatly increase your ability to manage strategically instead of reacting and fire fighting.

Everything in your business environment is changing faster than we ever imagined. In order to thrive in this changing environment, your business intelligence systems need to keep pace with the speed of change.

Now more than ever it is important for business owners to update themselves with hot information. And thanks to developments in management reporting tools, it is becoming easier to assemble this information. With real-time indicators of business performance, a business leader can make better, more pro-active decisions.

"A good plan violently executed now is better than a perfect plan executed next week."

--General George Patton

Rapid Business Intelligence

If you are ever surprised by the results of your monthly financial statements, there is something wrong. Surprises are an indicator of a problem. In addition to monthly financials, every business should track Key Performance Indicators (KPIs) which predict financial results.

Monthly financial statements are the universal scorecard for business, but they will not provide enough actionable, real-time information. The business environment changes too fast to be waiting on monthly reports. You don't have to wait. When real-time information is in your hands on a daily and weekly basis, you'll be able to adjust before it is too late to reverse trends.

Each manager should have a dashboard—focused on a handful of daily and weekly KPI's that drive or predict success. The manager's dashboard is a short list of numbers or charts, and the CEO's dashboard is often a rolled-up summary of this same information.

This rapid business intelligence translates into better decisions by providing real-time insight into sales trends or next month's cash flow. With faster and better information you can be more decisive and more fact-based as you respond to information that is timely and relevant.

Many entrepreneurs run their businesses in an intuitive manner, relying on their hands-on knowledge of their market. In general, the intuition of a successful entrepreneur is a very dependable source of judgment. But it is even better when supplemented with pertinent and timely information. In uncertain and fast changing times, it's not enough to rely on your gut instinct. You need fresh, hard facts.

Gathering Intelligence

You don't need more data. You need less data in the form of essential information, and you need it faster.

The most important step is to uncover three to five predictors of your business performance. Unfortunately, there is no universal list of KPIs that work for every company. These key indicators vary by industry and position within a market. If you are unsure of your organization's indicators, consider undergoing a discovery process.

You will need to uncover the KPIs that best predict your company's success. When you find them, make them a part of your daily information diet.

Having identified your KPIs, the next step is to find a way to gather them quickly and regularly. Data mining and reporting tools are now available to facilitate this, making the reporting process more efficient. The systems that once buried us in data can now be managed with incredible efficiency. The key pieces of information should be delivered into your hands, while the rest is filtered away.

Technology should not be a monster. On the contrary, you should be leveraging it to your benefit. By gathering concise, powerful information in frequent doses, you will be gaining a great advantage. Once you've identified the indicators and have a means of retrieving them efficiently, make sure to get this information into the right hands at the right time.

Taking Action

With a flash report in hand, you can begin to plan your next strategic move and know where to allocate resources. Speeding up your flow of real-time information, will greatly increase your ability to manage strategically instead of reacting and fire fighting.

With the information in front of you and a plan formulated, it is time to execute. Quickening the flow of business intelligence is only as good as your ability to execute decisively. By righting the ship in small,

frequent increments, you may save yourself from having to make major changes in course later on.

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