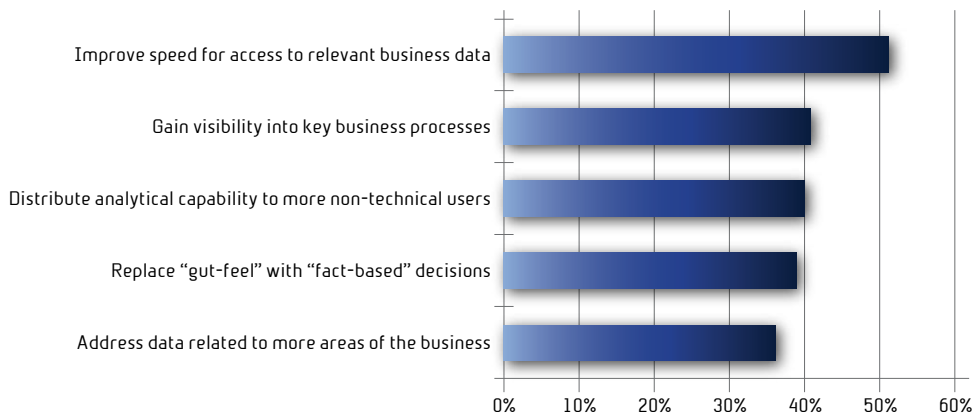


## SMBs - Improving Performance with Business Intelligence (BI) Tools

Organizations today struggle with the fact that they do not have the information to make decisions. Some even go to the extent to call it, “We don’t know what we don’t know!” For virtually every business, timeliness of information is key to improving decision making, and with the speed and volatility of today’s business environment, intelligence such as Key Performance Indicators (KPIs) are not only important, they are vital, regardless of the size of an organization, more so for SMB’s. Management of SMB organizations cannot afford delays in accessing information, and certainly, they cannot afford mistakes due to lack of awareness of their operational metrics. Using tools to capture what drives value to their business is very strategic and can be a differentiator in their competitive environment. Executives and line management need to access every KPI on their business in real time, not a month later!

While the need for analytical capabilities exists in most organizations, especially in financial areas, many still struggle to break out of the traditional confines and limitations of spreadsheet-based static reports, often in raw data form, with which one cannot tell the forest from the trees!

Top Pressures Driving BI Investment for SMBs



Faster and more informed decisions enable management to react more quickly to threats and opportunities, while at the same time remain competitive in a struggling economy. With proper BI tools, management can identify business values; the most relevant key performance indicators that provide them with the pulse of their businesses; what is happening where and when and by whom. It also provides them with the intelligence to take waste and cost out of their operations, and support them with the necessary concise data to tackle business opportunities and avoid major downfalls.

While senior management has some sense of their business performance, they are, nevertheless, committed to enabling technologies, such as BI, to significantly strengthen their organization’s information infrastructure. Management is taking a three-pronged approach to BI that promises to improve business transparency, making the best use of in-house skills and delivering improved business results.

### Visibility of the Business

Using tools to capture what drives value to their company, best-in-class organizations are leveraging strategic and tactical tools to guide their decision making and achieve improvements in profitability and customer service.

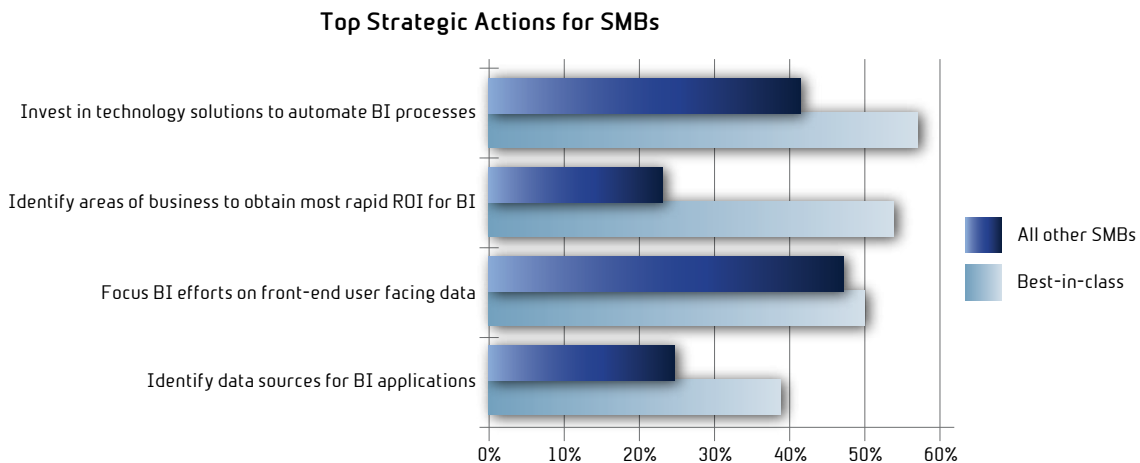
### Resource Optimization

While the need for analytical capabilities is evident, many organizations still struggle to break out of the confines of spreadsheet static reporting and move towards a dedicated BI solution. Companies are now exploring ways to leverage their in-house skill sets to provide analytical capabilities to their organization.

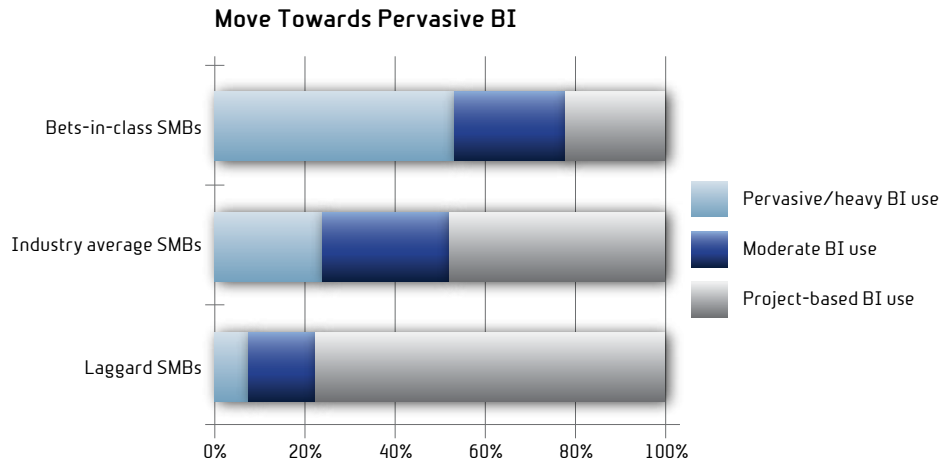
### Cost Management

For most organizations, the key to improving decision quality comes down to timeliness of information. Faster and more informed decisions enable a company to react more quickly to threats and opportunities, and remain competitive in a struggling economy.

Research shows that the top strategic action for best-in-class SMBs is to automate elements of their information value chain in order to alleviate some of the technical burden from their organization.



The fact that laggard SMBs are more likely to be using BI on a point solution or project basis doesn’t necessarily mean that these companies don’t have the potential to reach best-in-class status. Best-in-class companies have achieved this level by utilizing a “beach head” approach; landing the application in one area of the business and expanding from there. An organization usually deploys BI in one function such as finance, and once the value of the solution has been proven, the company will expand it into other areas of the company, leading to pervasive deployment of BI for best-in-class performance.

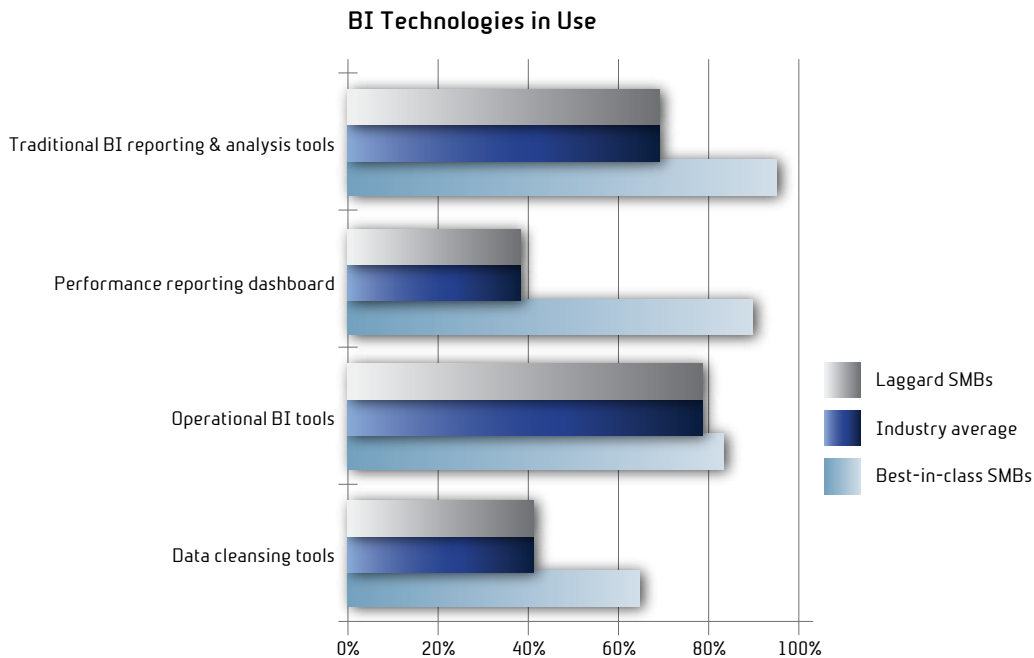


### Plan & Measure

A key advantage that BI implementations offer to SMBs lies in the visibility they provide into daily business operations. BI, however, is not a “start it and forget it” tool. Rather, it represents a step forward in the way companies relate to their information and think about their business. The best reporting technology can be useless if management and analytical users have not decided what Key Performance Indicators matter to their business’ success.

### Technology

The most common BI solution, traditional historic reporting and analysis, is still the most commonly-used technology in place at a lot of companies. Best-in-class companies are aiming to achieve a balance between strategic and tactical tools. Performance reporting dashboards are typically used as a forward-looking strategic tool while operational BI technology provides the day-to-day tactical and operational visibility.



Today, best-in-class companies are gravitating away from “fat client” towards more interactive “on-demand” web-enabled or Internet-based systems. Companies are seeing significant value in an integrated approach to BI, wherein the analytical tools and functionality are backed into other enterprise applications such as ERP, SCM and CRM. By leveraging this methodology, many organizations are experiencing success in BI adoption by overlaying analytical functionality on top of enterprise tools.

## Steps to Success with BI for SMBs

### For Laggard SMBs

- Define business KPIs to meet business strategy
- Migrate away from spreadsheets toward visibility tools
- Consider an investment in metadata management tools

### For Industry Average SMBs

- Expand on metadata management tools
- Establish cross-functional teams to facilitate deployment
- Improve the ability to monitor BI functionality
- Invest in training

### For Best-in-Class SMBs

- Consider the use of customer-facing dashboards and BI tools
- Establish a BI competency center
- Review your way of licensing your BI tools

## Conclusion

By identifying areas of the business that can benefit the most from a BI strategy, laggard SMBs may be able to move to a higher level of performance with their business that can benefit from analytical visibility and uncover opportunities for improved efficiency, profitability and higher customer satisfaction. Keeping a closer look at the TCO of BI will help companies better leverage their investment in BI and achieve a tangible ROI from its deployment.



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