

Sage ERP Solutions | White Paper

Business Intelligence | Driver of Success



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Audience: This paper is intended for small to mid-market business leaders who need to get better information to make more informed decisions in order to drive business success.

Executive Summary

Although Gartner statistics and recommendations are most often relevant for high-end corporate companies, it is clear that the Top 10 Business Priorities for 2010 are different and are very pertinent to any organization—regardless of size, region, or industry. Organizations of all sizes are looking to manage their businesses more effectively and be more innovative to deliver results, while continuing to:

- Cut costs.
- Reduce resources.
- Manage shifting business demands.
- Respond to an evolving marketplace more quickly than the competition.

There's no argument that adopting the new priorities set by Gartner can have substantial impact on your business, but how do you adopt them? How do you give effect to them—not just write them down somewhere—and how are they completely integrated into your corporate culture? It's easy to set off with good intentions, include the priorities as part of an annual strategic plan, and let them sit there on a pretty PowerPoint®. How do you actually measure them and get regular and reliable visibility into whether the adoption of these priorities has created real benefits and competitive advantage for your business?

Enter Business Intelligence (BI), a very hot topic in any boardroom nowadays and no longer the prehistoric industry that sought to satisfy the needs of only the big and powerful corporate entities. BI is no longer a nice-to-have, but a must-have for any size organization. This white paper focuses on providing you—the small to midsized business owner or manager—some insight into how BI technology can drive the fundamentals in business and become a driver of success across an organization.

As a frame of reference, we will focus on the outlined ten top priorities for business in 2010 as espoused by Gartner and then map a scenario and visual illustration of how BI can play a role to achieve these priorities. Obviously each business is different, and each scenario will not resonate across every business and industry; however, the intention is to demonstrate the process for adopting any priority with the purpose of running the business more effectively. Start with identifying what needs to be measured, identify how it will be measured, whether against industry, regional, or internal benchmarks, and then measure it and be accountable for it.

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GARTNER'S TOP 10

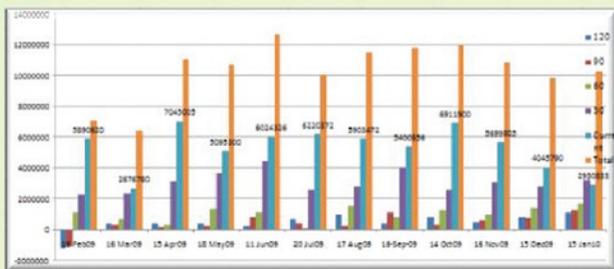
1. Improving Business Processes
2. Reducing Enterprise Costs
3. Improving Enterprise Workforce Effectiveness
4. Attracting and Retaining New Customers
5. Increasing the Use of Information/Analytics
6. Creating New Products or Services (Innovation)
7. Targeting Markets and Customers More Effectively
8. Managing Change Initiatives
9. Expanding Current Customer Relationships
10. Expanding into New Markets and Geographies

Gartner Priority #1: Improving Business Processes

If you do not have a transparent view of your functional teams and how they are performing against key functional metrics, how do you know where to start making business process improvements? Your starting point to attack this priority is to measure your performance against agreed upon benchmarks. As Stephen Covey says, “the main thing is to keep the main thing the main thing.” Identify your “main thing” for each individual department by focusing on the top three to five initiatives the team needs to achieve over the next year. Be sure each department bears in mind the top three to five business objectives of the company, so they can determine how they can help the company succeed. Once the top initiatives are selected, determine benchmarks that will demonstrate the initiative has been achieved or exceeded. Then measure your success against recognized external or internal benchmarks. This is typically the most difficult step; however, by tying the objectives and benchmarks with a Business Intelligence tool, you get instant visibility of where you stand and can easily track your progress. Once you have this visibility, it’s simple to retain focus on your main thing, as you have real-time information on performance against your benchmarks and you can start to make proactive and constructive interventions. Best of all you can easily demonstrate where you stand to upper management or stakeholders.

	Jan-10 Actual	Target
		KPI
120 days %	11%	0%
90 days %	13%	10%
60 days %	17%	15%
30 days %	31%	20%
Current %	28%	55%
	100%	100%

As an example, take a look at accounts receivable. Cash is king, and in these tough economic times the more quickly you get paid, the less it costs you. Debt collection processes need to be efficient and effective. You must have clear targets on outstanding accounts and always know when you can expect cash flow. Do you have a metric set for debtor’s days? Do you know the impact of not achieving these targets on your cash flow report? Setting these key metrics up is the starting point, but then accurately measuring and reporting on them is vital to the lifeblood of your business—cash.

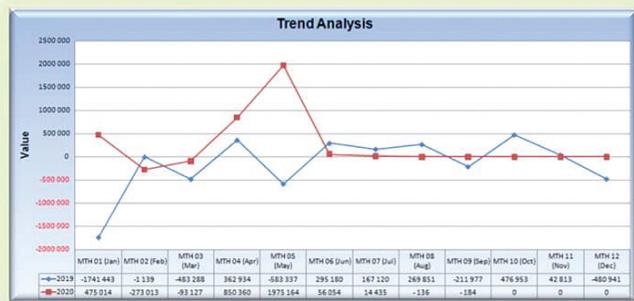


You can start by analyzing what your debt ratio looks like today! Paying attention to your debtor’s book will reap rewards as you will be able to easily identify collectable debt, which will boost your cash flow immediately, but then why stop there? You can go a step further by setting targets for your business that give you very visible metrics that allow you to measure how successful you are at collecting cash on a daily, weekly, monthly, or quarterly basis. All businesses differ, and some may be more cash driven than others, but if you start by using a simple table of key performance indicators or a graph as illustrated, you will get a much clearer picture of where you need to focus your efforts to collect your debt—and the better you perform, the better your cash position. For any business—small, medium, or humungous, the age old adage of “what isn’t measured isn’t managed” applies, and losing control of your cash flow is a surefire way to add sleepless nights when you start to be on the receiving end of your creditors’ calls.

Gartner Priority #2: Reducing Enterprise Costs

Obesity is a major risk factor for people of all ages in modern day society. When people are overweight or obese, they have more serious health problems that can lead to all sorts of dangerous effects. Businesses can also suffer from obesity! The cost of manual, complicated processes weigh heavily on your people, bogging them down in daily tasks and not allowing them to focus on strategic projects that grow your business. This corpulence presents a significant risk to your business and makes it expensive to administer. Are you clear on how much your current processes cost your business, such as what it costs to fulfill a customer order? How much does it cost you to process payroll? And what contributes to the ever-burgeoning salaries that likely make up more than 60% of your expense base? Which processes are putting the expense spikes in your bottom line, and what is the effect to the business?

Like someone wanting to lose weight, you first need to set some targets—what is an acceptable cost, what is industry-standard, and measure yourself against those in your business. Business Intelligence can help you measure your progress throughout the year, and the result will be a leaner and fitter organization that can compete well. If you don't have a handle on it, then this is one place to prioritize your attention this year—what is your labor cost compared to the same period last year? Can you trend this year against last year quickly and easily, and do you have the ability to see at a glance any anomalies that are causing expense creep, as the Trend Analysis report in the graphic illustrates?



Can you currently measure and detect a sudden bloating of expenses to allow you time to rectify the matter before unintended or unbudgeted expenses cripple your business? A trend analysis report can assist you to better manage all the expenses in your business and not just your labor costs by tracking them on a year-to-year basis. Conditional formatting (yes, it is a Microsoft Excel® function, and no, you don't have to be a programmer to use it) can be used smartly to red-flag any issues. With the workforce comprising the lion's share of your expense budget, managing this effectively will assist you to reduce your enterprise costs and moreover can give you a sustained competitive advantage against your competitors.

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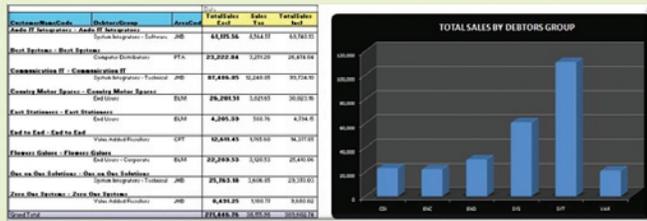
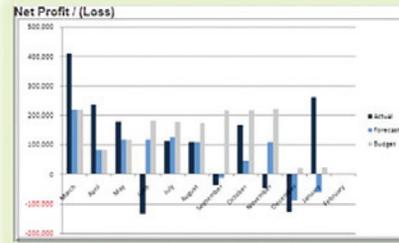
Business Intelligence can help you measure your progress throughout the year and the result will be a leaner and fitter organization that can compete well . . .

Gartner Priority #3: Improving Enterprise Workforce Effectiveness

Everybody knows the philosophy, “If you always do what you’ve always done, you’ll get what you’ve always gotten.” It’s not often applied to business, but it should be! Many businesses are struggling to generate the levels of profitability expected, even though the sales team seems to be shooting the lights out every month. The answer is not always to sell more—the bottom line is net profit. Every business needs very clear metrics and visibility into net profit against budget and forecast.

As the graph indicates, the net margins in this business have slowly been on the decline. If the business had this outlook months ago, it could have taken action. Now where does it start to set this straight? Where do you start?

There is likely to be a permutation of different issues that may result in sagging profits, but you can start with analyzing sales performance. Who are your top performers, what territories are most successful, what is the cost of a sale, and what other overheads are associated with them? Do you get real-time daily sales information or do you wait for reports (that are delivered inconsistently)? Business Intelligence gathers the details that reside in your ERP and/or CRM systems and pulls them together to reveal powerful information that can help you create a more effective workforce. For example, you can easily review metrics such as sales by salesperson by customer and slice and dice it to determine trends. Quickly establish your most profitable salesperson, product line, or top customers, one or a combination of which can materially influence your net profit.



A closer inspection of these metrics may just reveal some startling facts, which have been historically unnoticed due to lack of details that make up the aggregate numbers in your business. You may discover that although your key salesperson has indeed been shooting out the sales lights, it turns out that the costs of travelling and the lengthy sales cycle associated with individual sales have contrived losses rather than gains. By analyzing the details pulled together by Business Intelligence, it is possible to drive effectiveness across the organization. Since you’ve started, extend the exercise beyond sales and measure the effectiveness of your purchasing, inventory control, warehouse, manufacturing . . . you get the picture—literally with BI.

Gartner Priority #4: Attracting and Retaining New Customers

You operate in a competitive space centered on price, quality, and customer service. In today's fast-paced marketplace people want it now, for the best price, they want to know that you value their business, and they must have quick access to information—they are fighting the clock, which seems to be ticking faster and faster. There are not many market segments that aren't saturated with competition, and if you don't currently have systems in place that provide visibility of details (available products, pricing, services, guarantees), tracking processes, and exact delivery dates—your competitor does. Business Intelligence can help you keep up with the clock and provide all of your customers with the lowest price, best service, and highest quality.

ItemGroup (All)		Data				
ProjectCode (All)						
ServiceItem (All)						
WarehouseName (All)						
SupplierNameCode	ProductCodeName	Qty	UnitCost Excl	Total Purchases Tax Excl	Tax Amount	Total Purchases Tax Incl
Communications (Pty) - Communications (Pty)		600.00	445.91	263,192.88	35,307.02	287,500.00
	COM - 001 - Internal Modem - Standard	150.00	263.16	39,473.68	5,536.32	45,000.00
	COM - 002 - Internal Modem - ISDN	100.00	438.60	43,859.65	6,140.35	50,000.00
	COM - 003 - External Modem - ISDN	100.00	526.32	52,631.58	7,368.42	60,000.00
	COM - 004 - External Modem - Standard	100.00	350.88	35,087.72	4,912.28	40,000.00
	COM - 005 - External Modem - ADSL	50.00	570.15	28,507.77	3,961.23	32,500.00
	COM - 006 - Internal Modem - ADSL	100.00	526.32	52,631.58	7,368.42	60,000.00
Memory Supplies Inc. - Memory Supplies Inc.		400.00	219.30	87,719.30	12,280.70	100,000.00
	MEM - 001 - 64 Meg Chip	100.00	87.72	8,771.53	1,228.07	10,000.00
	MEM - 002 - 128 Meg Chip	100.00	175.44	17,543.86	2,456.14	20,000.00
	MEM - 003 - 256 Meg Chip	100.00	263.16	26,315.79	3,684.21	30,000.00
	MEM - 004 - 512 Meg Chip	100.00	350.88	35,087.72	4,912.28	40,000.00
Monitor Suppliers (Pty) Ltd - Monitor Suppliers		605.00	2,246.59	1,397,807.02	195,692.98	1,593,500.00
	MON - 001 - 15" Cathode Monitor	100.00	701.75	70,175.44	9,824.56	80,000.00
	MON - 002 - 17" Cathode Monitor	103.00	833.33	90,887.72	12,612.28	102,700.00
	MON - 003 - 21" Cathode Monitor	100.00	1,754.39	175,438.60	24,561.40	200,000.00
	MON - 004 - 15" Plasma Monitor	100.00	1,754.39	175,438.60	24,561.40	200,000.00
	MON - 005 - 17" Plasma Monitor	100.00	3,508.77	350,877.19	49,122.81	400,000.00
	MON - 006 - 21" Plasma Monitor	102.00	5,000.00	535,789.47	75,010.53	610,800.00
Grand Total		1,605.00	1,251.15	1,737,719.30	243,280.70	1,981,000.00

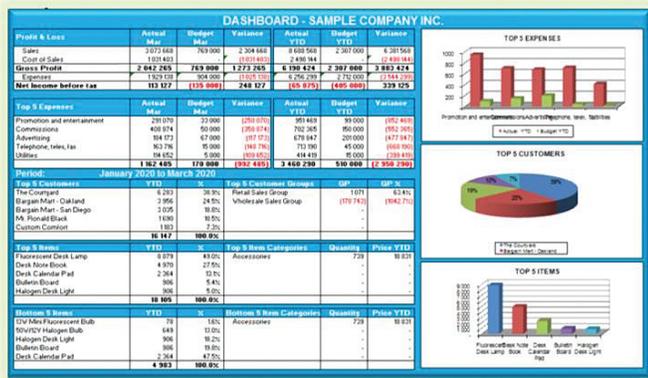
For example, with a good BI tool you can easily provide your customers visibility of your Purchase Master Report like the one displayed above. Not sharing this type of detail because it is deemed sensitive and privileged is a thing of the past. Providing pertinent information allows customers to make an informed buying decision, resulting in your being able to attract new customers and retain existing ones—providing you with a competitive edge. An innovative example of this is Progressive Insurance: A couple of years ago it launched a website that not only details its pricing and services, but also shows the same for its competitors—even if the competitor price is lower. Progressive banks on its exceptional service to outweigh its competitors' lower costs. Take a look at its results at <http://investors.progressive.com/releases.aspx> and see how it continues to grow in a down economy.

Gartner Priority #5: Increasing the use of information/analytics

How many times have you heard, “I had limited access to data so I had to make assumptions, so there are potentially other explanations as well”—or something along those lines—in an attempt to explain away a poor business decision? One thing that won’t change any time soon is the fact that the ability to make good decisions and proactively solve issues is crucial to success at every level of an organization, every day. Business Intelligence paves the way for true collaboration across the business, so more people have the information they need to make better decisions more quickly.

BI is no longer just for management, nor does it have to be complicated and expensive. That said, this decade will begin a new era for Business Management Solutions (ERP and CRM) as the focus shifts from just capturing lots and lots of data to providing accessible information that gives you a clear understanding of the transactional history in your database so you can forecast and plan for the coming years based on a very clear picture of the financial footprint of your past. The data has been there, but now BI puts it in an easily digestible format. All you have to do is put it to work for your business!

This key priority requires you to change your expectations from your data, expect more. Stop sorting through static reports and recompiling data into an analytical format and start using the information in your system to more effectively manage the business. A BI solution can draw real-time, trusted data directly from your business management and accounting system and deliver it automatically into the tool you are already compiling static reports in today, Microsoft Excel. This eliminates the need to manually aggregate data, which wastes time and is error prone and allows you to easily customize, manipulate, and distribute meaningful information while maintaining its accuracy.

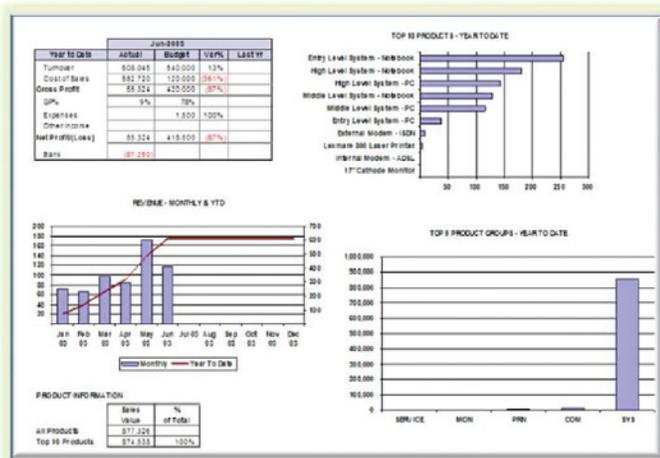


A Management Dashboard, like the one shown above, can provide executive team members with a real-time, trusted report of key areas of the business including key at-a-glance metrics. Data is available in real time and on demand for staff that need insight to help make the right decisions to protect the business, guard against risk, identify trends, and proactively solve issues. You can even take it a step further and provide drill-down capabilities that assist with pinpointing the cause and help find a resolution.

Gartner Priority #6: Creating new products or services (innovation)

If you are planning an exhilarating sales year focusing on growing revenues of your exciting product lines of typewriters, VCRs, and Sony Cassette Walkmans then you need Business Intelligence urgently. Sure, it's an obvious example because these are long discontinued products, but sometimes the market forces that drive old products out and usher in new offerings are not so apparent. Most likely you know what new technology and products you are working on and when they will be released, but how do you determine the impact to your revenue lines? What are you using to track any slowdown or trends in your product lines? Are the "bankers" in your business still the bankers they always were, and if there has been a year-on-year slowdown in sales, do you know why they have slowed? Are there economic reasons, do you have manufacturing problems, or are your products heading for the same historic memory of typewriters and cassette players?

Understanding the trends associated with your product revenue and cost of developing new products can help you plan the future of your business, so you are not caught with a warehouse full of product you cannot sell. This information can help you determine whether to create a product line extension to boost the revenue, replace an existing product with a new product, or even if the market shifted beyond your control, in other words, "Your cheese has been moved." Business Intelligence provides the visibility you need to stay ahead of the market and make smart product development, pricing, and stocking decisions.



For example, a dashboard like this one provides sales information by product. You can easily track your sales and analyse your top ten products. You can see if your top ten products are the same as last year and if top movers are still growing year on year or if they, and resultantly your sales lines and business, are shrinking. Once you understand the trends, you can start researching how to approach the future and ensure you are not missing opportunities to grow the business in a different, more profitable market. You can also determine when you need to offer pricing discounts to move inventory, seasonal trends, customer product preferences, and other insights that keep your operations focused on the metrics you have set and exceeding expectations on developing products that fly off the shelves due to customer demand.

Gartner Priority #8: Managing Change Initiatives

How good is your organization at managing change and delegating authority or decision-making? Think about the changes you have planned in 2010—how are these changes being planned and effected in the organization? In order to truly effect change, you need to get buy-in across the organization. A key advantage to Business Intelligence is how it provides democratization of information across the organization. “Most discussions of decision-making assume that only senior executives make decisions or that only senior executives’ decisions matter. This is a dangerous mistake,” says Peter Drucker. Business Intelligence allows you to easily share information and delegate decision-making throughout your organization facilitating adoption, execution, and measurement of key business initiatives.

Location	All							
Item Active	All							
Data								
Segment Code	Qty On Hand	PO Qty	SO Qty	Qty Incl Orders	Total Actual Cost			
⊕ A1 - Accessories	10 385.00	510 079.00	124.00	520 340.00	388 612			
⊕ A2 - Accessories - Package	569.00	140.00	4.00	705.00	57 700			
⊕ C1 - Tilter Chairs	358.00	0.00	0.00	358.00	325 117			
C1220B - Krugg 220 Arm Tilter-Brown	74.00	0.00	0.00	74.00	293 013			
C1220T - Krugg 220 Arm Tilter-Tan	50.00	0.00	0.00	50.00	7 450			
C1250B - Krugg Arm Tilter-Brown	0.00	0.00	0.00	0.00	0			
C1250R - Krugg 250 Arm Tilter-Rust	35.00	0.00	0.00	35.00	3 115			
C1500B - High Back Arm Tilter	199.00	0.00	0.00	199.00	21 539			
C1500T - High Back Tilter-Tweed	0.00	0.00	0.00	0.00	0			
⊕ C2 - Steno Chairs	44.00	0.00	1.00	43.00	2 655			
⊕ D1 - Executive Desks	42.00	0.00	1.00	41.00	956 784			
⊕ D2 - Secretarial Desks	60.00	0.00	0.00	60.00	13 740			
⊕ F1 - Filing Cabinets	54.00	450.00	2.00	502.00	10 224			
⊕ F2 - Filing Cabinet Extras	0.00	6.00	0.00	6.00	0			
⊕ F3 - Filing Cabinet with Extras	0.00	0.00	0.00	0.00	0			
⊕ S1 - Screen Dividers	231.00	4.00	0.00	235.00	227 252			
Grand Total	11 743.00	510 679.00	132.00	522 290.00	1982 084			

Take a look at a simple example of a need to change your product mix. The analytical BI tool above allows the person responsible for changing the product mix visibility of stock movements. He can easily monitor stock levels 24/7, 365 days a year, through trusted, reliable information that is up to date. This visibility of stock on hand and associated stock movements can have profound effects on your organization:

- You can discontinue the slow-moving “dog” lines and replace them with more profitable product lines
- This results in an associated increase in your cash flow because of increased profitability on your new product lines as well as freed up cash in your bank account because you no longer hold onto old and unsalable stock

Discontinuing product lines can be a tough decision, but the numbers don’t lie, and when the operations manager can share the numbers with staff, buy-in is faster and the process will be streamlined and more cost-effective. Seeing the numbers demonstrates to staff why the change needs to be made and shows the ultimate positive impact to revenue. This motivates employees and keeps them focused on results. This is just one example of how better collaboration across the business can facilitate change.

Gartner Priority #9: Expanding Current Customer Relationships

The thought process around the age-old adage “information is power” needs to be readdressed in this new decade. Historically, withholding information could give suppliers and manufacturers market power, because they had information about a product or service that the customer could not get without their help. However, information on pretty much anything and anybody is freely available on the web. If prospective buyers want to find out about a product or service, they simply type in an inquiry into a web browser and literally get thousands of potential sellers across the globe clamoring for their business. An erstwhile mindset that says “I can’t share certain information” will impact your business. Business Intelligence can help you with transparency to customers and prospects, so they view you as a trusted source of information and an expert on your products and services. If you are the one to provide the education, you are most likely to win the customer’s loyalty.

Data		Unit Price	Total	Total Sales	Gross	
CustomerCodeName	ProductCodeName	Qty	Excl	Cost	Excl	GP %
Best Systems - Best Systems						
COM - 003 - External Modem - ISDN		3.00	536.26	1,578.96	1,608.77	29.81 1.85%
COM - 004 - External Modem - Standard		1.00	385.96	350.88	385.96	35.08 9.09%
SYS - 001 - Entry Level System - Notebook		4.00	10,614.06	19,298.28	21,228.11	1,929.83 9.09%
Communication IT - Communication IT						
COM - 003 - External Modem - ISDN		3.00	536.26	1,578.96	1,608.77	29.81 1.85%
SYS - 005 - High Level System - Notebook		10.00	8,587.73	78,070.30	85,877.28	7,806.96 9.09%
Country Motor Spares - Country Motor Spares						
MON - 002 - 17" Cathode Monitor		1.00	2,788.00	873.98	672.96	(201.02) (29.87%)
PRN - 010 - Lexmark 800 Laser Printer		1.00	4,342.11	3,947.37	4,342.11	394.74 9.09%
SYS - 001 - Entry Level System - Notebook		1.00	10,614.06	4,824.57	5,307.02	482.45 9.09%
SYS - 004 - Middle Level System - Notebook		2.00	7,528.32	13,684.22	15,052.63	1,368.41 9.09%
East Stationers - East Stationers						
COM - 001 - Internal Modem - Standard		1.00	1,905.39	1,842.10	202.63	(60.53) (29.87%)
NonInventory - Credit Note					(1,200.00)	
NonInventory - Invoice					3,500.00	
PRN - 001 - Epson LX 5000 Printer		1.00	693.99	701.75	693.99	(7.76) (1.12%)
PRN - 002 - Epson LX 9000 Printer		1.00	964.91	877.19	964.91	87.72 9.09%
TRN - 001 - Transport		1.00	43.86		43.86	43.86 100.00%
End to End - End to End						
COM - 004 - External Modem - Standard		1.00	347.37	350.88	347.37	(3.51) (1.01%)
COM - 006 - Internal Modem - ADSL		3.00	550.01	1,578.96	1,850.03	71.07 4.31%
SYS - 001 - Entry Level System - Notebook		2.00	5,307.03	9,649.14	10,614.05	964.91 9.09%
Grand Total		36.00	54,040.53	137,628.60	152,900.45	12,974.85 8.48%

For example, allow your customers comprehensive access to their interactions with you. Show them how much they have purchased, from what region, by product category and description, by season and price, and which products they have reordered most often. Allow customers to clearly see much they saved by buying early or using your early settlement discounts. Show them distribution efficiencies in busy seasons that were created because you worked as a partnership to get your stock out and on their shelves at the right time. And take it a step further and develop a personal relationship, tracking details such as birthdays and significant events, like the company winning an award, releasing a new product, or even the CEO’s 10-year-old son winning the MVP award in the recent Juniors Hockey playoffs. Okay, so the last part needs good old-fashioned personal relationship building, but your CRM system tracks these detailed notes, and you can use a BI portal to let them know you care about them—personally. If you do just some of these things, your relationships, and revenues, will grow as a result.

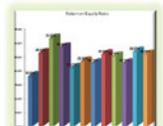
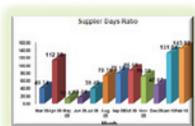
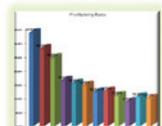
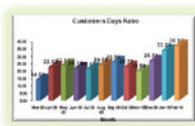
Gartner Priority #10: Expanding into new markets and geographies

Why is it that so many of the world's engineers are migrating to Western Australia? Why is it one of the fastest growing territories in the world? On closer inspection it appears that exceptional economic growth figures are directly related to a booming mining industry. So if you are in the mining industry then Western Australia is the place to be—and you can have that piece of anecdotal research for free without recourse!

If you're not in the mining industry, why do you care? Sometimes we can see something unfolding, or can sense a change but have no substance to back it up and we don't know if the best course of action is to act on a hunch. Intuition is key to success in the decision-making process, but the best decisions are not made on a wing and a prayer; they are made by backing up intuition with data, but you need the data fast. BI tools are available for you to make more measured and circumspect decisions based on validated information.

Do you use your financial ratios to help manage your business? This type of data can help you quickly determine if your business is even healthy enough to take on new markets, such as do you have sufficient cash on hand.

	Mar 07	Apr 07	May 07	Jun 07	Jul 07	Aug 07	Sep 07	Oct 07	Nov 07	Dec 07	Jan 08	Feb 08
Acid Test Ratio	2.10	2.14	2.07	2.09	4.00	5.14	4.12	4.91	3.92	4.95	3.92	3.14
Asset Financing Ratio	0.78	0.78	0.88	0.84	0.87	0.81	0.87	0.87	0.86	0.87	0.86	0.88
Current Ratio	2.10	2.14	2.07	2.09	4.00	5.14	4.12	4.91	3.92	4.95	3.92	3.14
Customer Days Ratio	16.60	22.91	23.87	23.75	21.44	24.89	25.96	22.71	19.99	24.98	23.89	26.35
Inventory Days Ratio	8.06	8.06	8.06	8.06	8.06	8.06	8.06	8.06	8.06	8.06	8.06	8.06
Inventory Turnover Ratio	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Profitability Ratio	33.92%	20.86%	24.52%	16.44%	16.56%	16.92%	12.20%	12.20%	16.96%	19.96%	16.42%	16.52%
Return on Equity Ratio	10.00%	20.42%	24.62%	28.46%	29.87%	22.26%	22.73%	25.98%	25.98%	22.72%	28.42%	28.42%
Solvency Ratio	4.60	4.60	5.21	6.11	7.43	10.99	7.70	7.49	7.21	7.95	6.91	6.48
Supplier Days Ratio	40.34	40.43	42.87	46.25	39.43	32.26	29.86	44.65	36.28	47.42	40.84	44.28



In this new decade, get to know the drivers of your business and get to know the key metrics that measure those drivers. Information provided by a Business Intelligence solution will clearly indicate to you where your opportunities lie. Use trends of your Customers and Suppliers Days ratios like the ones pictured above. Easily rattle off the Profitability and Return on Equity ratios. Business Intelligence can help you have instant access to information that allows better management of the core of your business to give you the stability to venture into new markets.

Conclusion

Not all the examples or questions are relevant for every reader, but the purpose of this paper is to get you thinking about how BI is not only accessible today, but is a strategic imperative that needs to be a part of the makeup of your organization.

The great news is that BI no longer needs programmers or technical specialists, nor does the budget have to break the bank. It does however need an “owner” who is accountable for the visibility of the data throughout the organization, and it needs to be effectively rolled out as an integrated solution in the business. If you are going to address these Gartner issues, you need information on the metrics you set, and information is the output of Business Intelligence—it’s that simple. Don’t get caught up in the fancy but meaningless acronyms and overcomplicated approaches. Business Intelligence is mainstream, it’s available for everyone, it’s affordable, and its use, or lack thereof, can make or break your business in the next decade.

About the Author

Gary Boddington is a co-founder and CEO of Alchemex Pty Ltd, a software vendor specializing in easy and affordable integrated Business Intelligence solutions in Microsoft Excel for the small and mid-sized market. Alchemex partners with Sage to deliver full integrated solutions like Sage ERP MAS and Sage ERP Accpac Intelligence. The Business Intelligence examples used throughout this paper are actual reports that are either shipped as standard with Alchemex Reporting Solutions (or from reports shipped with OEM partners’ products) or have been created for specific companies to meet specific needs within that organization. Although this white paper is intended to be objective, it is recommended that readers form their own conclusions and that the observations contained herein are used together with (but not in place of) the readers own good judgment and research. Contact: gary@alchemex.com.

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