

Revealing what is hidden in plain sight with Business Intelligence

An undergraduate course in business intelligence will teach you the difference between a simple measurement (any figure you care to measure) all the way up to a corporate indicator (requires that you make it actionable). You will learn that you can use basic operational reports to present your organisation's measurements but that you will need a scorecard - balanced or not - to make your indicators understandable and thus - actionable. You will understand how a circle of measuring the past, analyzing to understand to present and planning the future will keep your teams, departments or entire organisation on the right track and how doing this with world class software tools will propel you to that place in that world class league you so eagerly pursue.

One of the basic tenants that like those Presley, Springsteen or Madonna songs always seems to come back at you, is: "Measuring is Knowing". And although we may have learnt to measure what we know, somewhere along the way of automation, we have learnt to not measure what we do not know. I will argue that measuring what we do not know, did not do or did not sell, may tell us more about the effectiveness of our organisation and may lead us more effectively towards our goals.

A highly intelligent client once asked to calculate and measure an indicator that would measure the number of captured computer related incidents to the number of non-captured incidents. From his management gut he felt that this ratio was way more relevant than just measuring, month after month, the number of captured incidents. He understood that looking at an increase or a decrease of that indicator was not telling him how well his team was doing in capturing incidents at all. And for him, the indicators had to be actionable and that meant knowing the ratio between captured and non-captured incidents. Reasoning from a traditional reference frame, this indicator is impossible to implement. How would we measure the non-captured incidents if they are not captured at all. And being just managerial informaticians, we cannot invoke relativistic theories that do provide subatomic models for measuring the not-happened.

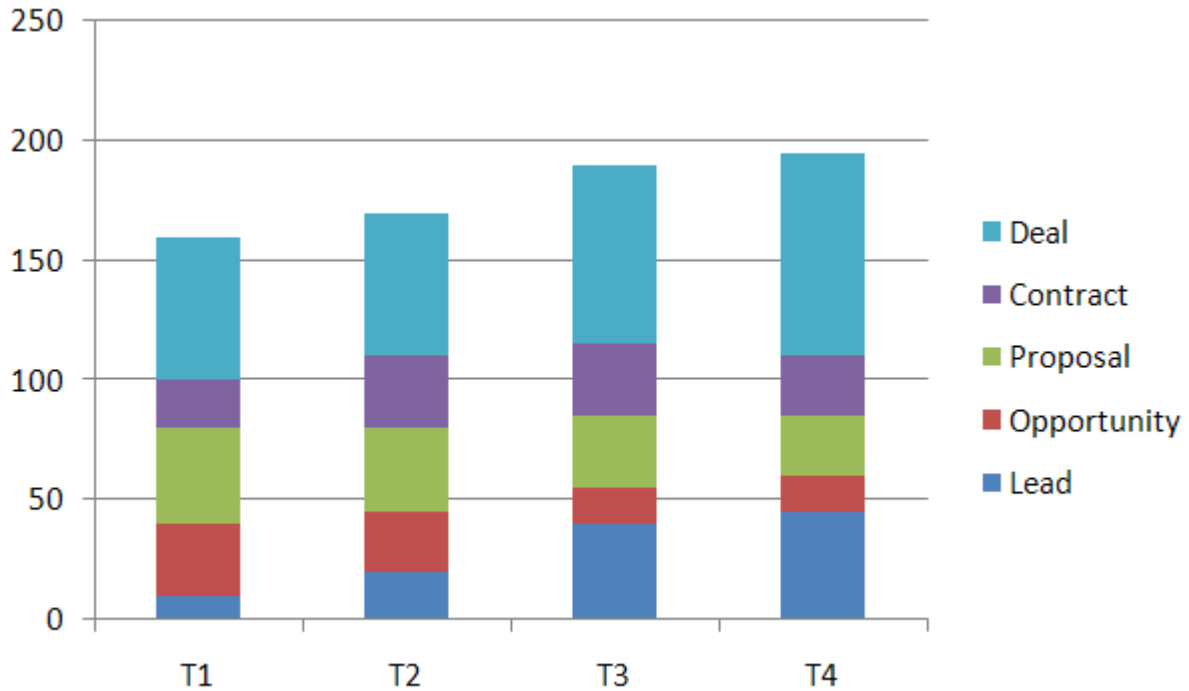
So is this it? Is this the end of our ambition to provide more relevant indicators to our clients' businesses? I would argue that we need to put more effort into stepping out of our business intelligence comfort zone.

Our business intelligence (or even performance management) comfort zone came about when all business intelligence implementers and practical thinkers - sorry if I seem to discard the academics - got swamped in work because they had to roll out one typical B.I. system after the other. Regardless of brand, from SAP to Business Objects, from SAS to IBM Cognos, from Microsoft to Oracle, they all had a hard time - some harder than others - coping with capturing the obviously capturable and to coping with making these information elements presentable, understandable and in very successful projects, even actionable. This stressful comfort zone - sounds like a contradiction in terms but isn't - lead to all implementers becoming complacent.

Let's step away from the normal measurements and give you some food for thought towards more provocative measurements. You will find that most of them are not based on far fetched or deeply hidden or unquantifiable data elements. Actually, most of them are hiding in plain sight. Most of them can be calculated from data that were measured in the past or even elsewhere (other departments, competitors, countries,...). Often it's just a matter of presenting data differently.

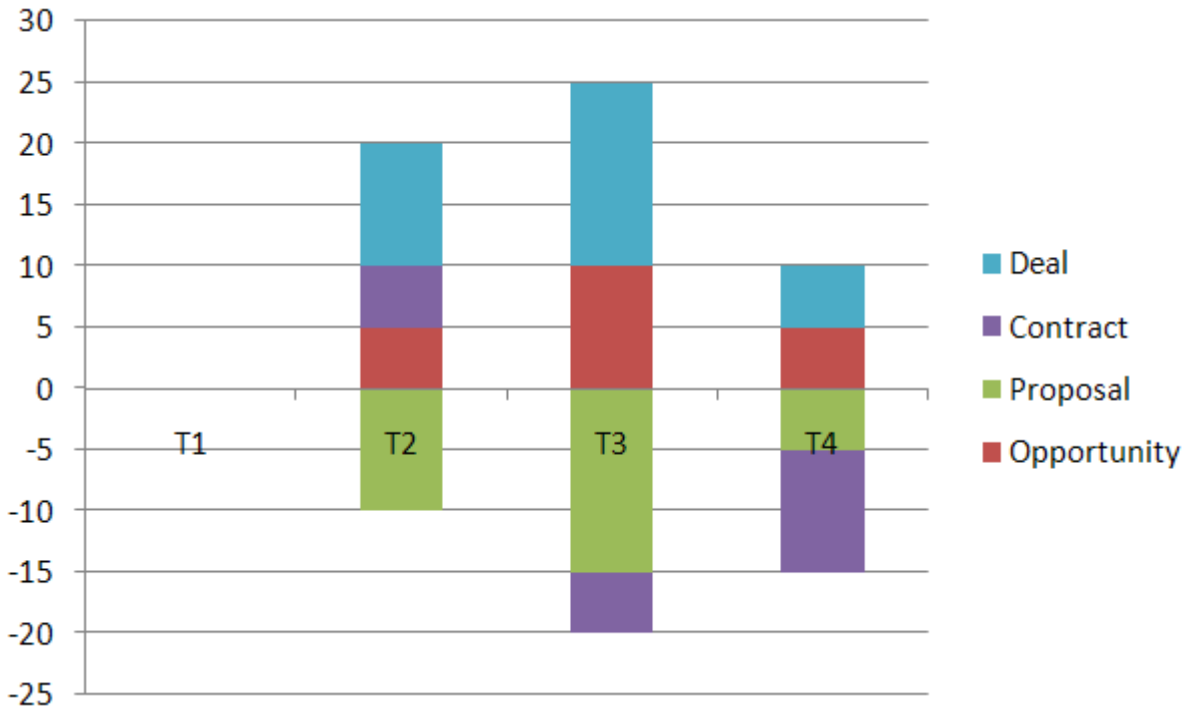
Suppose you have a sales pipeline report that shows how many deals you have lined up in different phases of sales maturity (lead, opportunity, proposal, contract, deal,...). This graph

shows the commercial opportunities in different phases of maturity. The pipeline seems to be expanding, closed deals seem to be growing. The management team is satisfied and reassured.



Picture 1: Classical period after period pipeline evolution.

Now turn it into a presentation that shows how many instances have fallen out of the sales funnel (so did NOT happen instead of happened) before each of the stages.



Picture 2: Showing that team systematically loses before proposal and contract phase.

Showing the data in this way made the discussions in the management team shift from *"ok, we're doing well enough because we have X instances lined up and the pipeline is expanding"* to *"damn, why do we systematically keep failing at turning opportunities into proposals and why do we fail at turning it into a contract?"*

At the same time as this team was increasing its commercial pipeline, it was also failing at turning out decent proposals and contracts.

The data was not visible in plain sight, it was only slightly hidden in a formula that calculates across the different commercial stages and across periods. And although this could have been deduced from the basic data as well, for some strange psychological reason - psychologists welcome to jump in- it was not acknowledged by the management team and therefore not actionable.

It seems that in practice, a manager's brain as enough of a hard time decoding the information that is presented to him or her and that no brain power is left to do a few additional calculations to mentally produce a "mirrored" picture. And if any manager does succeed in doing this, it certainly does not suffice to make his peers see the same mirrored picture (they are likely all using slightly different mental - or Excel - algorithms to do the interesting deductions), which is equally important if you want a team to act on information collectively. So by shifting from visualising basic data, which seemed to point to a positive evolution, to a visualisation that showed what was NOT happening, the management team managed to pinpoint the flawed proposal and contracting processes and really improve the commercial success rate.

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