

DM Review Online

Measuring BI Success: Business Goals and Business Requirements

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- **DM Review Online, October 19, 2007**

This column is focused on measuring business intelligence (BI) success. The column topics will cover The TBIA Business Intelligence Capability Maturity Model, which is a blueprint for the audit of business intelligence assets. This BI capability maturity model includes the following components:

- What should be included in a BI audit program?
- Measurement factors (key performance indicators).
- Measurement scale (industry standards for comparison).
- How to audit (the audit program).
- Using the audit results (an action response plan).

This is the second column in the series of articles focused on BI key performance indicators (KPIs). These KPIs are key business and technical drivers which are necessary for successful creation and management of BI assets (see Figure 1). These KPIs have been developed for the TBIA Business Intelligence Capability Maturity Model in order to provide measurement factors which can be used in the assessment of the BI assets. The KPIs are used in a manner similar to which we might use height as a measurement factor for an object or person.



Figure 1: List of the BI Key Performance Indicators

The subject of the first column was management support. The focus for this second column is business goals and requirements. The next column in this series will address the need for business alignment with BI assets and goals.

The *Best* Business Intelligence

Those organizations with the best BI will gain the business advantage. What is the best BI? That is dependent on what the organization needs. Successful BI can be directly measured by how well it matches the business objectives and goals. Management has a strong incentive to identify specific business objectives and goals and to communicate these to everyone in the organization.

Classic and Crucial

There are some classic definitions and discussions concerning business goals and requirements which are entirely appropriate to the current BI arena. It may be worthwhile to repeat some of these very well known ground rules. Most of the players in the business world are familiar with the concepts. However, these *obvious* rules are not necessarily followed. For BI assets, that is crucial. The money and other resources dumped into these BI systems can be astounding. Consultants and others in the industry for any length of time have personal experience or knowledge of major BI failures which have cost jobs and even crippled entire companies. So, understanding the concepts is not enough. It is imperative that management take the very hard road of defining and then regularly revisiting and redefining the strategic and tactical goals for their organization. This also means ensuring that the BI assets conform to those goals.

BI Success and Strategic Business Objectives

The first rule for any business success is to define what success means. What exactly has to occur for the business to be successful. The definition for success of the organization and the associated business objectives should be a carefully defined package. There are at least two primary positive results from the process of defining these strategic business objectives.

1. Clarity and specificity of the goals which might not otherwise be translated and understood, even by the executive management who should lead the drive to success.
2. The potential for unifying and aligning the efforts of the whole of the organization to meet the objectives.

What does this mean for the BI community. BI assets are the most pervasive, most cross organizational and perhaps the most crucial factor in the success of any organization. What information is available to the organization? Where is it available, i.e., do the people who need specific information know where it is and can they get it? Is it available in a form which can be used and at the time each person or system needs it? BI assets include all the data and information which can be used to understand and provide for the daily operations of the company. The amount of available raw data can be and generally is overwhelming. There is just no way to make all of that "raw" data available on a "just in case" basis. The only way to ensure success is to be able to identify exactly what data is required to meet the business objectives. That means identifying the appropriate data, finding it and making it available and accessible in a form which can be used - when and where that information is needed.

Sometimes, if there are a few key people in the right places, their knowledge and experience may make the lack of comprehensive BI less noticeable. However, there are not always key people in those right places. The only guarantee is to make sure that the necessary information is available. To do this, everyone in the organization should understand the business vision and objectives. The people who decide what BI they need and the people who plan for and create the systems and information libraries need to understand the business objectives. Then they can prioritize and guide the BI development process toward meeting those objectives.

Tactical Level Goals

The tactical level goals (i.e., short term, usually a year or less) are the business goals which are derived from and provide the momentum to reach the longer term business objectives.

For example, there may be short term business goals which call for an addition of three new products for a specific product line or a 10 percent sales increase in identified products for the central regions. These tactical goals are used within the BI arena to prioritize and drive specific additions to the information library and analytics. This means that there should be a BI applications inventory which incorporates details about the business information which will be needed over the next several years - i.e., driven by the long-term business objectives. The shorter term tactical goals will drive the work schedules.

Business Requirements

The business requirements are the specifics which are integrated into a BI application. The BI application is prioritized and developed in a timeframe dictated by the strategic and tactical goals for the organization. The detailed requirements for each BI application will be determined within the context of the design and development process. The business requirements for each new BI application or enhancement should match or be a subset of those necessary to meet the strategic and tactical plans for the organization.

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