

**EXPERT OPINION:** ROB BRICKLE of Bsquared Consulting believes data warehousing and analysis is just coming of age.

# Turning data into action

As a young consultant in the early 1980s, I can remember data warehousing being discussed not just in terms of the consolidation of data but as a means of delivering better information to the business.

In those days we had nothing like the sophisticated tools available today to achieve this goal, or maybe even the vision to realise the opportunity.

However, we have come a long way in a very short period of time, with significant changes in both the business thinking and the supporting technology (hardware and software) required to achieve this.

Interestingly, this is equally true of the public and private sector as organisations strive to be more efficient, more effective and better aligned with their customers and suppliers, irrespective of market.

What is equally interesting is that, according to the latest *Conspectus* survey on data warehousing, business intelligence and CPM software – see previous article – the majority of organisations surveyed had been running programmes in this area for less than six years. Why is this?

If you listened to the industry gurus and analysts, four areas dominated the IT industry in the 1990s and through into the new millennium. Three of these could be easily articulated and explained to the business environment so that they could see the opportunities they offered and sanction the investment required. These were:

- Changing IT architectures – seen through the move away from ageing monolithic mainframe-based computer architectures towards flexible client/server-based application technology and infrastructure. This delivered greater power to the end user and allowed the business to respond quickly to the changing business landscape.

- Application developer productivity – delivering greater productivity from an expensive resource. This manifested itself in the promise of object oriented technology and the ultimate idea of shifting the productivity focus from a line of code to pre-assembled, re-usable and certified components. This was an

engineering philosophy that the business community could understand and from which they could see the potential for productivity gains and quality improvements.

- Electronic commerce – harnessing the power of the internet. By doing so, organisations acquired reach, being able to sell and service their customers in a faster, cheaper and more responsive manner. Customers naturally gravitated towards channels that provided them with ease of use and convenience – provided, of course, that there was a fair cost associated with this facility.

The fourth key area in that period was actually data warehousing, business intelligence and knowledge management.



**Rob Brickle: hard to understand the ROI**

This has proved less easy to articulate and expensive to implement and while it appeared to deliver great promise, it has been hard for businesses to understand the return on investment equation.

Of course, the idea of pooling data in a structured way that makes it easy to interrogate and provides strong support to business decision-making activity is an easy concept to understand. The problem has been that the tools to support this concept have been expensive and, until recently, immature.

Equally, people's experience in handling volumes of data effectively has been poor. This is certainly something organisations must get better at doing if Gartner's prediction that enterprises will have to

manage 30 times more data in 2004 than they were in 1999 comes true.

It is interesting that looking into the *Conspectus* survey findings, the motivations behind the respondents' data warehousing projects are all technology-based, supporting tactical plans rather than strategic business issues.

When asked to give examples of any significant change in the business as a result of the data warehousing project, only two respondents replied from a business perspective. One recognised the change the organisation had been able to make to its role in the supply chain. The other recognised the increased rate of organisational change that their company was now able to achieve.

This is the heart of the problem.

Every project, whether it is IT or not, must meet a strategic goal. The best way to ensure that IT projects in particular align with business objectives is for information and business executives to constantly discuss and understand those objectives. The one certainty is change – change is now a constant in today's business environment and companies need to become better at handling this if they are to survive.

Better-informed decisions and an ability to turn data into information can only increase the likelihood for success. It is as important to know and understand which change initiatives can add value to an organisation as it is to know which will detract from that value.

Data warehouses and business analytical software can play a significant part in this by helping to ensure strategic alignment with the customer and by revealing business opportunities that competitors may not have spotted.

But to achieve these very significant benefits, companies must implement and use the software correctly and, above all, look at where it can add value to the business.

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