

# Manager's Guide to BI Tools

— By [SearchCIO.in](http://SearchCIO.in)

Business intelligence (BI) has emerged as one of the fastest growing disciplines in India.

This Manager's Guide to BI tools covers the following topics:

- **What are BI tools?**
- **What functions do BI tools perform?**
- **BI deployment challenges (and how to overcome them)**
- **BI tools: Best practices**
- **Top BI vendors and tools they offer**
- **Further reading**

## What are BI tools?

Business intelligence (BI) tools are software programs for analysing and presenting data. This data is then used by organizations to take business decisions. The [commonly-used spreadsheet](#), for example, is a BI tool.

BI tools include software for [data mining](#), online analytical processing (OLAP), statistical analysis, and querying and reporting tools such as [dashboards and scorecards](#). The data used by BI tools is often stored in a [data warehouse](#) or data mart.

Organizations use BI tools to obtain a comprehensive picture of their current and past activities and performance. BI tools can aid day-to-day operations as well as future planning and decision making.

## What function do BI tools perform?

Listed below are six important functions that BI tools help to perform.

### ➤ **To report business operations**

The most basic use for BI tools is keeping track of everyday business operations. Weekly or monthly reports of a company's activities can be easily generated using BI tools.

### ➤ **To track customer-behavior and sales patterns**

Business intelligence gathered over time is useful in tracking customer spending and product sales patterns. BI tools can give an all-round picture of customers and product sales by market segment, region, time period, etc. This information is vital for estimating demand and planning product launches and marketing campaigns.

### ➤ **To discern trends and relationships**

Digital age businesses have vast quantities of historical and current data on their hands. Discerning short-term and long-term market trends and movements from that data is made possible by BI tools.

### ➤ **To measure the impact of marketing campaigns**

BI tools can help track and measure the impact of marketing campaigns in terms of product sales and customer responses.

### ➤ **To present business data**

BI tool interfaces, such as [dashboards](#) and scorecards, are useful for presenting data to colleagues and stakeholders during meetings and brainstorming sessions. Vast quantities of data can be quickly queried and presented in the form of easy to read charts and diagrams.

### ➤ **To aid future planning**

Finally, BI tools are useful for long-term forecasting and planning. BI tools make it easier to wade through and study the large quantities of current and historical data held by the organization. This kind of analysis is vital for forecasting and future planning.

## BI deployment challenges (and how to overcome them)

Although BI tools are of great help in business, there are a few challenges associated with them. Use these tips to deal with challenges.

### ➤ **Ensure enterprise-wide participation in deployment**

The participation of both management and employees is essential to make a BI tool implementation successful. Business data needs to be continually monitored, updated, and archived for it to be of use to the company. Enterprise-wide participation is essential to maintain the accuracy and reliability of available business intelligence.

### ➤ **Assess your business needs first**

The BI tools you pick need to be integrated with your existing enterprise applications such as ERP, SCM, CRM, etc., to be of value to your company. There are many BI tools available in the market, but not all will be able to meet your specific needs. It's advisable to run a pilot and user acceptance test before the project can be made enterprise-wide. Do consider hiring a consultant to help you make the best choice.

➤ **Focus on data quality and data integrity even before deployment begins**

BI tools will not deliver all the benefits as promised unless the data used is accurate and reliable. BI tools will be processing vast quantities of data, and maintaining the accuracy and integrity of this data is all-important to the success of BI tool implementations.

➤ **Appoint qualified personnel**

The optimal use of BI tools requires qualified personnel such data architects, OLAP developers, report writers, data champions, etc.

They are the ones who will interpret the patterns and trends revealed by BI tools. Untrained personnel may not be able to interpret the data correctly.

Currently, [The Data Warehousing Institute \(TDWI\)](#) and [DAMA International](#) offer certification and training in BI subjects. Most BI vendors also offer training on BI tools they sell.

## BI tools: Best practices

BI tools are mere aids. They will help to analyze data or to indicate trends, but decisions need to be made by you.

Studying large quantities of data may reveal false trends that have no basis in reality. A manager must continue to rely on his business instincts to make the best decisions.

Following best practices can be handy to ensure maximum returns on investments made on BI tools.

- Ensure that the BI tool is integrated with existing apps.
- Pick BI tools that will expand as business grows.
- BI tools are expensive. Calculate the expected ROI beforehand and regularly assess the actual ROI that you have been deriving from BI deployment.
- BI tools can be complicated. Employee training is a must.
- Hire a consultant for advice on the best BI tool to pick and the best way it can be deployed enterprise-wide.



## Top BI vendors and tools they offer

The business intelligence (BI) tools market is bustling with vendors and products. The top BI tool vendors include IBM, Microsoft, Oracle, SAS Institute, and SAP. The one prominent Indian BI tool vendor is MAIA Intelligence.

Vendor	BI tool
IBM	<a href="#"><u>IBM Cognos Series 10</u></a>
MAIA Intelligence	<a href="#"><u>1KEY Agile BI Suite</u></a>
Microsoft	<a href="#"><u>Microsoft Integrated BI offering</u></a>
Oracle	<a href="#"><u>Oracle Business Intelligence Enterprise Edition Plus</u></a>
SAS Institute	<a href="#"><u>SAS Business Intelligence</u></a>
SAP	<a href="#"><u>SAP Business Objects,</u></a> <a href="#"><u>SAP NetWeaver BI</u></a>

## Further reading

Definition: [What is business intelligence?](#)

Tip: [Five ways to justify BI investment to your CFO](#)

Feature: [BI ROI calculation: Issues and methodology](#)

Tutorial: [Business intelligence \(BI\) certification guide](#)

News: [6 predictions for the hottest BI trends in 2011](#)

News: [Outlook for BI in the cloud](#)

Tip: [Implement an open source BI tool, head to toe](#)

News: [Indian BI market to grow by 16% in 2011 — Gartner](#)

News: [Yahoo deploys open source BI tool made in India](#)

Tip: [Why does BI excel reporting tools?](#)