Business Intelligence Strategy:
Two Case Studies

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ABSTRACT

Business Intelligence has been adopted across numerous industry sectors where the commensurate benefits have been reported as being significant to those that fall short of expectations. Indeed, an effective strategy that aligns company objectives and Business Intelligence has been shown to be an important factor in firm realizing organizational benefits. Using a case study approach, the paper documents the key aspects of two companies’ Business Intelligence strategy that directly enhanced informational requirements. The paper presents a novel description of Business Intelligence strategies that will provide valuable lessons for not only researchers, but also industry practitioners.

KEYWORDS

Business Intelligence, Business Intelligence Strategy, Case Study, SAP

INTRODUCTION

Companies today have come to realize the importance of providing accurate, relevant and timely information—information that allows their organisational personnel to engage in effective decision-making practices (Isik et al., 2013). Traditionally the information required as input for decision making resided in a plethora of transaction processing systems. As the number and diversity of these systems increased so did the issues associated with the extraction and integration of the associated data required to support decisions. To overcome these integration issues many companies implemented an Enterprise Resource Planning (ERP). These systems enabled companies to gain efficiencies in their business processes and associated transactions through the high degree of integration of their company-wide business processes, and the standardisation of the associated data (Davenport et al., 2003). ERP systems are an essential element of the corporate information systems infrastructure allowing businesses to be competitive in today’s world, as well as providing foundation for future growth (Chou et al., 2005).

Although companies have implemented an ERP system there are still issues associated with the analysis of data. One reason is that the implemented ERP system replaces many of the legacy systems however a number of legacy systems are still used. This either due to the lack of equivalent functionality in the ERP systems, budgetary constraints or a future replacement. No matter what the reasons for their existence these legacy systems contain data which contribute to decision making. Often this data needs to be integrated and with the ERP systems data to provide a complete and
relevant data for analysis. Another issue is type of reporting available in the ERP system. The Online Transaction Processing (OLTP) environment which underpins the ERP systems limits the types of reports that can be generated and thus the level analysis and insight that can be achieved.

The increased informational requirements of companies and the availability of appropriate computing technology resulted in the evolution of existing IT systems and the emergence of new solutions. These included Knowledge Management (KM), Data Mining (DM), Collaborative Systems (CS), Corporate Performance Management (CPM), Knowledge Discovery (KD) and Analytics, with the term Business Intelligence (BI) tending to be used to encompass all (Gibson et al., 2004; Olszak and Ziemba, 2007).

Business Intelligence (BI) for many companies was implemented as an extension of their ERP Systems in order to gain greater insight into their business processes and associated transactions as well as integrating other data sources. According to Howson (2007, p. 2) Business Intelligence is a process that “…allows people at all levels of an organization to access, interact with, and analyse data to manage the business, improve performance, discover opportunities, and operate efficiently”. The analysis of corporate data allows a firm to improve productivity and achieve competitive advantage over other firms that may not have the same capabilities (Luftman and Ben-Tvi, 2010; Watson and Wixom, 2007). Indeed, the effective use of Business Intelligence is considered an essential factor in the competitiveness of a company especially in changing markets (Luftman and Ben-Tvi, 2010; Watson and Wixom, 2007).

There has been limited research on the adoption and use of Business Intelligence particularly in regard to having a strategy to support organisational decision making. Hence, the research contribution of this paper centres on the documenting of the Business Intelligence use and strategy development by two Australian companies in different industries. The strategic approaches reported could be usefully adopted by other companies.

**LITERATURE REVIEW**

Enterprise Resource Planning (ERP) systems are important in allowing companies to improve their business capabilities and performance (Hawking and Sellitto, 2015). Early work by Davenport et al. (2003) highlighted how firms used their ERP systems to undertake activities that allowed them to not only create business benefits, but to subsequently sustain competitive advantage over time. The realized benefits associated with ERP systems adoption directly reflect how business processes are made more efficient and effective across corporate functions (Hawking et al., 2011). According to Davenport et al. (2003), ERP systems adoption should dynamically progress through three major evolutionary stages in regard to grouping the types of benefits that could be realized through the adoption of ERP systems. These stages related to the firm’s processes being integrated and optimized, which in turn facilitated the information flows across the various functional areas of the business. The premise underling of each stage was for firms to:

- **Integrate**: This stage reflects the unification and standardisation of data and processes. ERP systems can be used to better integrate business processes and the associated organizational units;
- **Optimize**: Reflects a stage that aligns the business processes to the overall corporate strategy through the utilisation of embedded “best practice” processes which are enacted when an ERP system is adopted;
- **Informate**: Reflects a stage were the information generated by the ERP system is used to transform work practices. This involves transforming the ERP systems data into context rich information to support effective decision making.

The stages identified by Davenport (2003) can reflect the degree of enterprise system maturity achieved by a firm. This concept of maturity is not only system focused, but importantly reflects
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