Chapter 18
A Study of Business Intelligence Strategy Development by Large Organizations

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ABSTRACT

Organizations have adopted business intelligence solutions with a mixed degree of benefits. Some businesses highlight significant outcomes, while others identify limitations or shortfalls in the benefits derived. Notably, the alignment of business strategy with the adoption of business intelligence processes has been an important predictor of firms being able to achieve organizational wide benefits. The chapter uses a case study approach to document the informational needs achieved through aligning organizational strategy and the adoption of business intelligence solution at two distinct companies. The adoption approaches used by each firm, although different, reflect the important areas in which business intelligence is most useful—strategic alignment, governance, and information presentation.

INTRODUCTION

Sourcing appropriate information that is timely, accurate, complete and relevant enables people to be confident and effective when it comes to business decision-making (Isik et al., 2013). Organizational decision-makers have historically relied on data derived from business transaction systems—systems that over time increased in both number and complexity as the organization expanded. Indeed, as such systems became more widely implemented, so increased the challenges of not only sourcing the appropriate data, but also integrating the data to enable its interpretation for decision-making processes (Hawking & Sellitto, 2017). In order to address these integration problems, firms implement whole-of-company Enterprise Resource Planning (ERP) systems. ERP systems allowed corporations to be more process effective, enabling them to achieve significant efficiencies as a result of transactions being

DOI: 10.4018/978-1-5225-5718-0.ch018
aligned with one cross functional system that captured and stored in a standardized manner (Daven-
port et al, 2003). Notably, such systems provide businesses with the essential information technology
infrastructure that allows them to achieve growth, be competitive in their industry sector and manage
process innovation (Chou et al., 2005).

The implementation of ERP systems resulted in numerous legacy systems being replaced, hence,
addressing the integration issues. However, important issues persist in regards to analyzing the corporate
data— particularly where legacy systems are still used. Hawking and Sellitto (2017) suggest that the
persistance of legacy systems might be due to resource limitations not enabling complete integration or
even a deficiency of these legacy functions in the new ERP system. Clearly, the persistence of organiza-
tional legacy systems that provide important data in management’s decision making activities needs to be
addressed as an integration issue. Arguably, data sourced from legacy systems will require alignment and
integration with data captured by ERP systems— reflecting the corporate data pool that can be analyzed
and accommodated in appropriate report formats. Furthermore, as people’s informational needs underpin
decision-making capacity, so have newer forms of computing technology systems resulted to directly
facilitate this important activity. These computing systems embody a variety of offerings that include
Data Mining (DM), Knowledge Discovery (KD), Collaborative Systems (CS) and Business Analytics
(BA). The term Business Intelligence (BI) is proposed as a moniker that can be used to include all of the
proceeding systems (Gibson et al., 2004; Olszak & Ziemba, 2007; Hawking & Sellitto, 2017).

For numerous organizations Business Intelligence has been a post-ERP systems implementation
feature, allowing them to gain a deeper understanding of not only their data, but also processes and
transactions. Howson (2007, p.2) defines Business Intelligence an activity 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”. Indeed, the analysis of organizational
can result in improved productivity and competitive advantage— particularly over other firms in a
similar industry sector that have not achieved the same level of information system adoption (Watson
and Wixom, 2007; Luftman & Ben-Tvi, 2010). Moreover, Business Intelligence might be considered
to factor for companies to be competitive in agile and ever-changing markets and sectors (Luftman &
Ben-Tvi, 2010; Watson & Wixom, 2007).

Although the concept of Business Intelligence has been reported for a number of years, limited
research has examined Business Intelligence strategy and its support for organizational decision mak-
ers. The paper contributes to this important theme through two cases that examined the practices and
experience of Business Intelligence strategy development and enactment. The strategies presented can
provide insights for not only industry practitioners, but also researchers and industry bodies.

BACKGROUND

Organizational benefits associated with adopting Enterprise Resource Planning (ERP) systems lead to en-
hanced business performance (Hawking & Sellitto, 2015). Corporations can use ERP systems to potentially
attain competitive advantage over industry rivals— a feat which might be sustained over relatively long
periods of time Davenport et al., 2003). Furthermore, according to Hawking et al. (2011), ERP-derived
benefits will underpin the business processes across the organizational departments enabling greater
efficiencies. Davenport et al (2003), indicates that ERP implantation embodies three discrete business
maturity phases that reflects how the organization has achieved system integration (Integrate), process
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