

BI for the mid-market

Last year, business intelligence topped CIOs' wish lists for the first time and the market rushed to consolidate. But has the time finally arrived for the mid-market to embrace BI cost-effectively? Dr Nigel Geary, founder and CEO of PrecisionPoint Software, explains the problems and the solutions.

Since the invention of the spreadsheet, we have seen thirty years of business intelligence (BI) software evolution, including query/report writers, budgeting tools, online analytical processing (OLAP) and data warehouses.

Yet, accountants are still unable to easily access all the information they need. Finance directors and management accountants, especially in mid-market companies or divisions of larger corporations, cite three major problems:

1. **Many versions of the truth:** finance, sales and operations reports rarely agree, meaning management meetings start with a discussion on whose numbers to use. Even when the data comes from the same ERP source, the reports do not reconcile because of the extract process or how the report was written.
2. **Spreadsheets – heaven and hell:** most finance people live in Excel. It is a great tool – ubiquitous, flexible and easy to learn. However, spreadsheets are often used to extract, join and consolidate data from multiple ERP tables and other sources because it is the only tool users know. This is not only a very inefficient use of the accountant's time but 40% of spreadsheets contain errors, according to recent Harvard research, raising compliance concerns.
3. **BI tools are complicated:** the BI tools used by big corporates have not been

adopted by the mid-market because you need to be a specialist BI consultant or a developer to get the best out of them. Mid-market companies do not have the IT staff or the budget for consultants to adopt BI. BI projects can also take months or even years and rarely deliver what the users actually need.

'Data quality and integrity [for roll-your-own BI solutions] is usually less than perfect, and once users lose faith in the numbers, they find it hard to trust the system.'

Unlike ERP packages, BI solutions are developed as custom projects – reinventing the wheel over and over again. Consequently, data quality and integrity is usually less than perfect, and once users lose faith in the numbers, they find it hard to trust the system. In addition, 80% of the time spent on BI projects is dedicated to designing the data model and data extracts – the data warehouse layer.



Ready-to-use BI packages

Over the last few years, the idea of packaged BI solutions has gained ground. The most common products are simple OLAP cubes bundled with a front-end BI reporting tool. Other products provide predefined dashboards and reports. The data models for these solutions are usually based on separate OLAP cubes for each ERP module such as GL, sales ledger, purchase ledger, orders and inventory, and are often tied to a specific ERP or accounting system.

These products may look good during demonstrations but have three main drawbacks:

1. Customising 20+ cubes to meet a company's requirements can take many weeks of consulting, and maintenance is an ongoing burden.
2. Separate cubes restrict data exploration so that analysis becomes disjointed. Also users need to know which cube to access for each analysis or report.

The future of business intelligence

PrecisionPoint Software has developed a radical new approach to business intelligence, creating easy-to-use tools for the mid-market. Dr Nigel Geary, founder and CEO, tells Michael Jones about the state of the market.

Michael Jones: This is your 30th year in business intelligence [BI]. I imagine you have seen enormous changes in the industry.

Nigel Geary: Yes and no. The requirements for BI applications, such as budgeting, consolidation and sales reporting, have changed remarkably little. The software, on the other hand, has evolved enormously, with major technology shifts every five to ten years.

MJ: What is driving the recent spate of acquisitions of BI vendors?

NG: BI is becoming increasingly important. While SAP, Oracle and IBM have had creating BI tools for more than a decade, the launch of Microsoft PerformancePoint means that Microsoft has rounded out its arsenal of BI tools and platforms priced for the mass market. Hyperion, OutlookSoft and Business Objects

PrecisionPoint Software



PrecisionPoint Software brings sophisticated business intelligence (BI) to the Microsoft® Dynamics NAV and Dynamics AX™ customer base. PrecisionPoint's Business Warehouse application is the first completely automated and reconciling business warehouse application dedicated to this customer base.

The Business Warehouse application automates the creation of a solid foundation, from which users can quickly perform various analyses, such as:

- standard and custom financial reporting
- product and customer profitability
- actual vs budget variance analysis
- bookings, billing and backlog reporting
- sales analysis and CRM analytics
- supply chain analysis, inventory and bill of materials
- KPIs and scorecards
- management reporting.

The PrecisionPoint software installs within hours and users are up in running in just a few days on their current, reconciled, performance management data.

3. Profitability analysis is virtually impossible because revenue and costs are held in separate cubes or some of the related costs are missing.

The integrated business warehouse

To overcome these limitations, PrecisionPoint Software has developed a data warehouse technology called Business Warehouse. Based on Microsoft's BI technology

stack, SQL Server 2005, Office 2007 and PerformancePoint tools, Business Warehouse is designed specifically for rapid deployment with Microsoft Dynamics ERP products (formerly known as Navision and Axapta), which are used by over one million end-users.

The PrecisionPoint Business Warehouse data model integrates data from the GL and all sub-ledgers into a single transaction level

database and OLAP hypercube. The benefits of this design are:

- all numbers and reports reconcile to each other and tie back to the ERP system
- true profitability by product, customer and territory is available out of the box
- users can audit the data down to the lowest level of detail in the data warehouse
- accountants and other users can access Business Warehouse through Excel 2007 or ProClarity for browsing and analysing business performance
- an Excel add-in, XLPublisher is bundled for writing reports that can then be published to Excel or Microsoft Reporting Services and SharePoint without the need for IT support.

Business Warehouse for Dynamics can be implemented in a few hours and has automated monitoring via web services, ensuring that the system information is always correct and up to date.

PrecisionPoint users include Acela (Maclaren buggies), Basic Chemical Solutions, Boehringer, CalorGas, Harrods Aviation, John West Foods, Rotary Watches, Ryvita, Sega, TomTom and Twinings North America. Customers vary in size from £10 million to £1 billion in sales and already span eight countries.

For companies hoping to access the promise of BI without having to deal with the expensive, complex and time-consuming set up procedure, an out-of-the-box solution that works with popular software could be the solution they have been looking for. ■

Further information

PrecisionPoint Software
Website: www.precision-point.com

had nowhere to hide other than under the umbrella of the ERP vendors. I believe IBM has made a mistake buying Cognos – it makes no sense. I predict a mass migration of Cognos customers to Microsoft over the next two years.

MJ: You have worked at the leading edge of BI, with companies such as Arbor Software, which helped establish the on-line analytical processing market, and EPS, a key player in mainframe BI in the 1980s. What do you see as the next big innovation?

NG: Well, most BI solutions have evolved as silos or stove pipes, meaning finance, sales and operations had their own tools or applications. BI's dirty little secret is that for more than 80% of data warehouses and BI solutions, the numbers don't agree. Have

you ever been in a management meeting where you spend the first half hour trying to agree whose numbers are more reliable? The time has come for the data warehouse application – a product that works more or less out of the box without the delay, risk and high costs of a nine to 18-month project. BI has been the final frontier for consultants, but if Microsoft is to reach the mid-market with its BI tools, it has to find partners with solutions that work immediately.

MJ: Is there such a solution to this problem?

NG: If you use Microsoft Dynamics, then yes. At PrecisionPoint Software, we have been working on the problem for the last five years to come up with a radical new design. ■